



UNAUDITED FINANCIAL STATEMENTS >>

FOR THE PERIOD ENDED 30 JUNE 2026

HIGHLIGHTS (ZWG)

78 million
Surplus before tax

7 billion
Total Bank Assets

25%

5 billion
Total Bank Deposits

33%

1.6 billion
Mortgage Loan Book

Strengthened
digital ecosystem

BOARD CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2026

On behalf of the Board of Directors, it is my privilege to present the National Building Society's financial results for the six months ended 30 June 2026, a period in which the Society continued to build on its strategic momentum, delivering strong growth across all our key indicators. These results incorporate Lenderspark Finance, our microfinance subsidiary launched in the second half of 2024.

Operating Environment

The global economic environment remained challenging during the first half of 2026, characterised by the Middle East conflict and its associated energy price shock, alongside persistent trade tensions and policy uncertainty. Resultantly, the World Bank's June 2026 Global Economic Prospects report projected that global growth would slow to 2.5% for the year, its weakest pace since the COVID-19 pandemic, with the majority of the world's economies facing downward revisions. Sub-Saharan Africa was projected to grow by approximately 4%, once again outperforming the global average.

Against this relatively positive regional outlook, we are pleased to note that Zimbabwe's economy demonstrated notable resilience during the first half of the year, with GDP growth accelerating to 6.8% in the first quarter of 2026, up from 4.4% in the prior year period, on the back of a strong recovery in the agricultural and mining sectors. Government has projected full-year growth of around 5%, moderating off the exceptional 8.3% recorded in 2025, though authorities remain confident of exceeding this forecast on continued momentum in the productive sectors.

From a monetary and macroeconomic perspective, the authorities successfully maintained price and exchange rate stability, providing a more predictable operating environment for households, businesses and financial institutions. Average inflation eased to 4.2% over the first six months of the year, marking the first sustained period of single-digit average inflation in more than three decades.

The exchange rate traded within a notably stable and narrow band, averaging ZIG25.9 per US\$1 and remaining broadly between ZIG25.00 and ZIG27.00 per US\$1 during the period.

As the National Building Society, we are grateful to the Monetary and Fiscal Authorities of Zimbabwe for the various positive measures they have implemented. This moderation in inflation, together with relative currency stability, have helped anchor market expectations and increase confidence in domestic currency transactions.

Financial Performance Overview

The Society recorded a surplus before tax of ZWG 78 million for the half year, translating to a surplus after tax of ZWG 47 million. Of note is the strong momentum built through the period: from a modest start to the year, monthly profitability improved consistently, with the Society posting its strongest result of the year in June. This trajectory reflects growing earning assets and firm cost containment. Improving operational efficiency, with the cost-to-income ratio improving from 89% for the 2025 financial year, to 81% for the period under review.

The Society's balance sheet continued to strengthen, with total assets increasing to ZWG 7 billion, a 25% increase from the December 2025 closing position. This growth was driven largely by a 31% increase in loans and advances to customers, which closed the period at ZWG 3 billion. This demonstrates our continued commitment to financing mortgages and the productive sectors of the economy, in turn contributing to the objectives of National Development Strategy 2 (NDS2).

Customer confidence remained strong, as reflected by a 33% increase in total deposits to ZWG 5 billion. This sustained growth in our deposit base is a clear indication of the market's continued trust and confidence in the Society.

Executing our strategic mandate

At the heart of our strategy is a clear and enduring mandate: to expand access to decent, affordable housing while building a financially strong, innovative and customer-focused institution. Our housing delivery programme remains one of the most visible demonstrations of this mandate in action. It reflects not only our commitment to constructing homes, but our broader ambition to create sustainable communities, unlock economic value and contribute meaningfully to Zimbabwe's national development agenda.

During the period under review, we advanced this strategic objective through the successful completion of Phase Two of the Gladuina Flats Project in Harare, delivering 96 two-bedroom apartments and bringing the total completed units at the development to 160. This milestone demonstrates our ability to execute complex housing projects with discipline, consistency and a clear focus on long term value creation.

We also progressed to Phase Two of the Accelerated Civil Servants Presidential Housing Scheme in Bulawayo, delivering an additional 300 housing units for civil servants. Taking the total number of houses delivered under this project to 600 units. This achievement underscores the Society's capacity to translate strategic partnerships into tangible outcomes that improve livelihoods and support inclusive national growth.

These developments are aligned with our deliberate shift from transactional housing delivery to integrated community development. We are focused on creating residential environments that are comfortable, sustainable and capable of supporting broader social and economic progress.

Building on this momentum, we are well positioned to execute a significant project pipeline that will extend our housing impact across the country. Key projects include the development of 616 residential stands at the Runyararo Housing Project in Masvingo, being implemented in partnership with our shareholder, the National Social Security Authority (NSSA). Phase Three of the Accelerated Civil Servants Presidential Housing Scheme in Bulawayo, which will deliver a further 300 houses. Phase Three of the Gladuina Flats Project in Harare, which will deliver 128 two bedroom-apartments and the Newmara Housing Development in Mutare, which will deliver 153 houses.

Collectively, these projects reinforce the Society's role as a strategic housing finance institution with the capacity to mobilise capital, structure partnerships and deliver solutions that respond to real market needs. Through disciplined execution, we will continue to support affordable home ownership, deepen financial inclusion and contribute to the development of stronger and more resilient communities across Zimbabwe.

Capital and Liquidity

The Society remains strongly capitalised and highly liquid. Total equity closed the period at US\$57 million, whilst core capital stood at US\$54 million, both comfortably above regulatory minimum requirements. The prudential liquidity ratio stood at 54%, significantly ahead of the prescribed regulatory thresholds.

These strong capital and liquidity positions place the Society in a favourable position to support future growth opportunities whilst maintaining financial resilience and meeting obligations to depositors and other stakeholders.

Risk Management and Governance

The Board remains committed to maintaining a robust risk governance framework that supports sustainable growth whilst safeguarding the interests of depositors, our shareholder and all stakeholders.

During the period under review, the Society continued to strengthen enterprise-wide risk management practices, ensuring that risks arising from credit, liquidity, operational, market, technology and regulatory exposures were effectively identified, monitored and managed. Through its various committees, the Board maintained active oversight of the Society's risk profile and the effectiveness of internal control systems.

Particular attention was directed towards preserving asset quality amid continued loan book growth. The favourable impairment performance achieved during the period reflects disciplined underwriting standards, prudent portfolio management and proactive collections strategies.

The Society also strengthened cybersecurity, data protection and operational resilience capabilities, to address evolving risks within an increasingly digital operating environment. The Board recognises that the risk landscape continues to evolve rapidly, driven by technological advancement, cybersecurity threats, regulatory developments, climate related considerations and changing customer expectations. Accordingly, the Society remains committed to continuously enhancing its risk management capabilities, governance frameworks and operational resilience to ensure emerging risks are proactively managed while preserving financial strength, stability and reputation.

The Board remains committed to preserving the Society's safety, soundness and long term sustainability through prudent risk stewardship, strong governance practices and a disciplined approach to capital allocation.

Leadership Transition

In the month of June 2026, the Society also marked an important leadership transition with the retirement of the Managing Director, Mr Sifiso Mahlangu, following eight years of dedicated and distinguished service to NBS.

On behalf of the Board, I wish to express our sincere appreciation to Mr Mahlangu for his contribution to the growth and development of the Society during his tenure. His leadership, commitment and stewardship, which were instrumental in strengthening the Society's resilience and performance, positioned NBS for sustainable growth. His contribution to NBS will remain an important part of the Society's institutional journey.

The Board is pleased to advise stakeholders that Ms. Mukai Mahachi, the Finance Director, has assumed the role of Acting Managing Director, providing continuity of leadership for NBS. This transition reflects the strength of the Society's leadership and governance structures and reinforces the Board's commitment to ensuring stability and continuity of leadership, as NBS enters its next phase of growth and transformation. The Board has full confidence in Ms Mukai Mahachi and the Executive Management team to maintain the momentum of the Society's strategic agenda and ensure continued focus on operational excellence, sound governance and the delivery of value to our shareholder and all stakeholders.

Sustainability and Responsible Banking

Sustainability remains a key pillar of the Society's long-term strategy. As an institution with a developmental mandate, we remain committed to generating positive economic, social and environmental impact. The Society remains committed to embedding Environmental, Social and Governance (ESG) principles across its operations, investment decisions and stakeholder engagements, ensuring that sustainable value creation remains integral to its long-term strategy.

Through investments in renewable energy solutions, responsible property developments and inclusive financial services, we continue to contribute to sustainable national development whilst creating enduring value for stakeholders.

Strategic Outlook

The Board remains confident in the Society's future prospects. We enter the second half of the year from a position of strength, supported by a growing balance sheet, strong liquidity, improving profitability and an expanding pipeline of housing and digital banking initiatives. Our investments in technology, infrastructure and market expansion provide a solid platform for long-term value creation.

Our strategic focus remains centred on deepening financial inclusion, accelerating digital transformation, delivering sustainable and affordable housing solutions and enhancing operational efficiency, while creating sustainable value for all stakeholders. The Board remains confident that the strategic investments undertaken in recent years, together with the Society's strong governance framework, healthy capital position, robust liquidity profile and developmental mandate, provide a solid foundation for sustainable growth and long-term value creation.

Appreciation

On behalf of the Board, I extend sincere appreciation to our shareholder, the National Social Security Authority (NSSA), the Government of Zimbabwe, the Reserve Bank of Zimbabwe and all stakeholders for their continued support and constructive engagement.

I also thank my fellow Board members, Management and Staff of NBS for their professionalism, commitment and dedication in delivering sustainable value for the Society.

Most importantly, I extend our deepest gratitude to our customers for their unwavering trust and loyalty. Their confidence in the National Building Society remains our greatest motivation as we continue building a stronger, more innovative and impactful institution.

S.I. MUTUMBWA
Board Chairman
31 August 2026

ACTING MANAGING DIRECTOR'S STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2026

I am pleased to present the National Building Society's financial performance for the six months ended 30 June 2026.

This was a period in which the Society demonstrated clear strategic momentum, disciplined execution and the resilience required to advance its mandate in a dynamic operating environment. This performance is anchored on our commitment to build a stronger and more sustainable business that delivers consistent value to our shareholder, the National Social Security Authority (NSSA), our valued customers, stakeholders and the communities we serve. Our strategic priorities remain clear: strengthening the balance sheet, deepening customer relationships, expanding access through innovation, and delivering affordable housing solutions that create tangible value for communities across Zimbabwe. The progress recorded in the first half of the year reflects how these priorities are being translated into measurable financial and operational outcomes.

Financial and Operational Performance

The Society delivered total income of ZWG 431 million for the period, underpinned by disciplined execution, balance sheet growth and a deliberate shift towards more resilient revenue streams.

In line with our strategic objective of strengthening funded income, net interest income increased by 25% from the comparative period to ZWG 221 million. This was supported by robust growth in interest income from loans and advances of ZWG 246 million. Our asset quality remained strong during this aggressive loan book growth, a strong reflection of our disciplined credit origination, sound underwriting standards and proactive portfolio management. These measures contributed to the Society achieving an NPL ratio of 1.52%, well below the sector average of 3.64% and the international benchmark of 5%, underscoring the quality of the loan book and the effectiveness of our collections framework.

Overall, this performance demonstrates the strength of our core intermediation business

and the effectiveness of our strategy to grow funded income, notwithstanding the impact of elevated funding costs across the market. Interest expense of ZWG 138 million reflected the broader rise in the cost of term funding, and we continue to manage this area actively, with a clear focus on optimising returns within prudent risk parameters.

Non-interest revenue continued to demonstrate the benefits of our diversification strategy. Fees and commission income of ZWG 139 million was 7% ahead of plan, reaffirming the growing contribution of our transactional banking and digital channels. These platforms are increasingly central to how we serve customers, deepen relationships and broaden access to financial services. As a result, non-funded income contributed approximately 53% of total income, reinforcing the resilience of our earnings profile.

Operating expenses of ZWG 352 million were broadly in line with plan, as management maintained firm cost discipline while continuing to invest in capabilities that support growth. Management remains firmly focused on optimising costs further as the balance sheet scales, while continuing to invest selectively in the capabilities required to support sustainable growth. This financial progress provides a strong platform from which to advance the Society's broader strategic mandate.

Mortgage lending, under the Society's housing mandate, remains a key pillar and we continued to finance residential construction, home purchases, and home improvements for thousands of Zimbabweans.

Our mortgage book continues to steadily grow, and as at 30 June 2026 it was ZWG 1.6 billion, constituting 47% of our total loan book, further reinforcing our position as the country's premier housing finance institution. As we expand our physical footprint through housing delivery, we are equally focused on expanding our digital reach and improving the way customers experience the Society's offerings.

Digital Transformation and Customer Experience

Digital transformation is a critical pillar of our strategy and a key lever through which we are reshaping the customer experience, improving operational efficiency and expanding access to financial services. For the Society, digitisation is not simply a technology agenda; it is a business transformation agenda that enables us to serve customers better, compete more effectively and scale our impact with greater speed and precision.

During the period under review, we continued to strengthen our digital ecosystem through targeted enhancements to our ATM platforms and the establishment of our agency banking network. These investments are designed to provide customers with secure, convenient and reliable access to services, while reducing friction across key banking journeys and extending our reach beyond the limitations of physical infrastructure.

As customer expectations evolve, we are also building a more data-driven organisation. Enhanced data analytics capabilities will enable us to understand customer needs more deeply, strengthen risk assessment, improve decision-making and design more relevant financial solutions. This is central to our ambition to become a more responsive, insight-led institution that anticipates customer needs rather than merely responding to them.

We will continue to invest in the technologies, partnerships and internal capabilities required to deliver a secure, seamless and differentiated banking experience across all channels. This transformation will be pursued with discipline and purpose, ensuring that innovation remains directly aligned to the Society's strategic objectives and to the long-term value we seek to create for our customers, shareholder and broader stakeholders.

As we scale both our housing and digital ambitions, disciplined risk management and operational resilience will remain essential to sustaining confidence and protecting value.

Financial Inclusion – Lenderspark Finance

Through Lenderspark Finance, our microfinance subsidiary, the Society made significant inroads in extending formal financial services to previously unbanked and underbanked segments of the population. Lenderspark grew its loan book strongly to ZWG 168.6 million and expanded its client base, servicing 3 300 customers across multiple sectors of the economy, with a particular focus on small and medium enterprises, informal traders, and individuals who lack access to traditional banking credit.

As we scale Lenderspark, we are deepening our data analytics capabilities to better understand and serve this segment, while maintaining rigorous credit standards that protect both the customer and the Society. We see Lenderspark as a long-term strategic asset that will contribute meaningfully to the Society's earnings growth and social impact. The growth of Lenderspark is a critical pillar of our financial inclusion strategy and the Society's broader mandate to contribute to inclusive national economic development. This aligns directly with the Government's Vision 2030 agenda for inclusive economic growth.

Risk Management and Operational Resilience

Sound risk management remains central to the Society's operating philosophy and strategic decision-making. It provides the discipline required to pursue growth confidently, protect stakeholder interests and ensure that the business remains resilient as it executes its strategic agenda. As the Society continues to grow its balance sheet, expand customer relationships and invest in digital transformation, Management remains focused on maintaining a strong culture of risk awareness, accountability and compliance across all business units.

Our enterprise-wide risk management framework enables the proactive identification, assessment and mitigation of risks while ensuring that business opportunities are pursued within clearly defined risk appetite parameters. We also enhanced our operational resilience through investments in technology infrastructure, cybersecurity, business continuity planning and regulatory compliance frameworks. These initiatives strengthen our ability to navigate emerging risks while maintaining uninterrupted service delivery and protecting stakeholder interests.

The Society remains committed to strengthening cybersecurity capabilities, enhancing digital resilience and continuously improving its ability to anticipate and respond to emerging threats. Our objective is not merely to grow, but to grow responsibly, ensuring that risk management remains a strategic enabler of sustainable value creation. This same discipline informs our approach to sustainability, where long-term value must be measured not only by financial performance, but by the positive impact we create for society and the environment.

Sustainability and Shared Value Creation

The Society recognises that sustainable business success requires balancing financial performance with broader social and environmental responsibilities. Our mandate places us at the intersection of finance, housing and community development, making sustainability an essential part of how we grow, invest and serve.

During the period we undertook a review of the Society's policy framework to strengthen the integration of Environmental, Social, and Governance (ESG) considerations across key areas of the business. This process resulted in sustainability principles being embedded within NBS policies spanning housing, governance, risk management, procurement, human capital management, operational processes, credit and investment, and business activities. Through the integration of ESG principles into our business model, we seek to create lasting value for customers, communities, employees and shareholders alike.

Our sustainability strategy is anchored on three core pillars; our High Impact Goals

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Bank, Build & go Beyond

Corporate And
Institutional Banking

Power your business. Unlock your potential
with Corporate and Institutional Banking
solutions tailored for your success



Housing & Mortgages

NBS Capital

Corporate & Institutional Banking

Micro Finance

Retail & SME Banking

Structured Finance

(HIGs); (i) Driving Access to sustainable housing, (ii) Stimulating sustainable growth for MSMEs and (iii) Championing economic empowerment. These HIGs are aligned to our mandate, national development objectives and define where and how we will create the greatest impact.

Building a High-Performance Organisation

Our people remain the Society's most important strategic asset and the driving force behind our ability to execute with consistency, agility and purpose. During the period under review, we continued investing in leadership development, technical capability enhancement and employee growth programmes designed to equip our workforce for a rapidly evolving financial services landscape. These investments are fostering a culture of accountability, innovation, collaboration and customer excellence across the organisation. As we continue our transformation journey, we remain committed to building an agile, customer-centric and high-performing organisation capable of adapting to changing market dynamics and consistently delivering exceptional outcomes for stakeholders.

The strength of our people, combined with the clarity of our strategy, gives us confidence in our ability to achieve our long-term ambitions. It is from this strong foundation that we move into the second half of the year with focus, discipline and confidence.

Looking Ahead

Looking ahead to the second half of the year, our priorities are clear and our execution agenda is firmly set. We will continue to drive the 2026 strategic plan with discipline, accelerate quality balance sheet growth, deepen customer relationships and strengthen the digital and operational capabilities required to build a more agile, innovative and resilient institution. Sustainability will remain a defining pillar of our growth agenda, with ESG principles embedded in how we allocate capital, manage risk, serve customers and create long-term value for our stakeholders.

We are confident in the Society's ability to perform in an environment of improving macroeconomic stability, while making a meaningful contribution to the National Development Strategy through expanded financial inclusion and affordable housing delivery.

Appreciation

I extend my sincere appreciation to the Government of Zimbabwe, our shareholder NSSA, the Board, our customers, stakeholders and employees for their continued confidence and support.

The Board's guidance remains invaluable as we position the Society to seize emerging opportunities, manage risk prudently and deliver sustainable value. I am equally grateful to our employees, whose commitment and professionalism continue to drive the Society forward.

Together, we are building an institution that is stronger, more responsive and better equipped to deliver on its mandate, and we are well positioned to deliver sustainable growth and lasting value for the people and communities we serve.



M. MAHACHI
Acting Managing Director
31 August 2026

CORPORATE GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2026

The Board is committed to high standards of Corporate Governance and believes that a sound governance structure engenders a successful company. For the half year 2026, the Society has, in the Directors' opinion, complied fully with the tenets of good Corporate Governance in Zimbabwe as specifically incorporated in the Banking Act [Chapter 24:20] read together with the Banking Amendment Act Number 12 of 2016, the Building Societies Act [Chapter 24:02] and the Reserve Bank of Zimbabwe Corporate Governance Guidelines.

Recognising the pivotal role of an effective Board of Directors, the Board places utmost importance on its composition and functions. Active engagement with our Shareholders is a key priority for the Board, with regular meetings held to solicit and consider the Shareholders' perspectives and feedback. This two-way communication ensures that the Board remains responsive and aligned with the interests of our Shareholders.

THE BOARD ROLES AND RESPONSIBILITIES

The position of the Board Committees as of 30 June 2026 was as follows;

AUDIT COMMITTEE

The Audit Committee comprised of two independent non-executive directors. The members are as follows:
David Mutemachani -Member (Independent NED)
Molly Dingani-Member Chairman (Independent NED)
The Committee meets at least four times a year to review the following:

- The adequacy and appropriateness of the Society's accounting and internal control systems;
- Significant accounting policies adopted by the Society to ensure compliance with International Financial Reporting Standards and generally accepted accounting principles;
- The scope and results of the work of the external auditor;
- Financial matters relevant to financial reporting in a timely manner;
- The Society's interim financial statements, annual financial statements, and preliminary announcements prior to their release to ensure that they are complete, reflect appropriate accounting principles, contain appropriate disclosures and are consistent with the information known to Committee members; and
- Making any necessary recommendations to the Board.

LOANS REVIEW COMMITTEE

The Committee consisted of two independent non-executive

directors and one non-executive director. The members are as follows;

David Mutemachani -Chairman (Independent NED)
Molly Dingani-Member (Independent NED)
Daniel Ngwira -Member (NED)
Its terms of reference include:

- To ensure that the lending processes and the loan portfolio conforms to the Society's credit policy, which has been approved and adopted by the Board;
- To ensure that the lending function is in compliance with Reserve Bank of Zimbabwe guidelines;
- To keep executive officers and the Board adequately informed on lending portfolio risk;
- To ensure that problem loans are identified, and classified appropriately in line with Reserve Bank of Zimbabwe guidelines;
- To ensure that adequate provisions are maintained to cover potential loan losses; and
- To ensure that write-offs of bad loans are made in a timely manner.

CREDIT COMMITTEE

The Committee consisted of two independent non-executive directors, and one non-executive director. The members are as follows;
Shingai Mutumbwa -Member (Independent NED)
Sithokozile Mrewa-Chairman (Independent NED)
Patience Zenda- Member (NED)
Its terms of reference include:

- To approve applications that do not expose the Society to undue credit risk;
- To ensure that the Society gets an adequate return for taking credit risk;
- To ensure that the lending process and the loan portfolio conform to the Society's credit policy, which has been approved and adopted by the Board;
- To ensure that the lending function complies with Reserve Bank of Zimbabwe Guidelines; and
- To ensure responsible lending to the community and general public of Zimbabwe.

HUMAN RESOURCES AND NOMINATIONS COMMITTEE

The Committee comprised of three independent non-executive directors and two non-executive directors. The members are as follows;
David Mutemachani-Chairman (Independent NED)
Shingai Mutumbwa-Member (Independent NED)
Sithokozile Mrewa-Member (Independent NED)
Betty Nyereyegona- Member (NED)
Patience Zenda-Member (NED)
The Committee's terms of reference include:

- Overseeing the overall human resources strategy;
- Developing policies on remuneration packages and benefits of directors and senior management;
- The Society's Reward Policy to include, job alignment and salary benchmarking;
- The appointment of the Executive Management roles incumbents;
- The performance management and discipline of the Managing Director; and
- The evaluation of board members.

RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance committee consisted of one Independent non-executive director and two non-executive directors. The members are as follows;
Molly Dingani-Chairman (Independent NED)
Betty Nyereyegona -Member (NED)
Daniel Ngwira-Member (NED)
The Committee's terms of reference include:

- To review and to have oversight of the risk profile of the Society within the context of the Board determined risk / return profile;
- To assess the material risks faced by the various business units of the Society;
- To make recommendations to the Board concerning the Society's risk appetite and particular risks or risk management practices of concern to the Committee; and
- To refer in writing to the Board Audit Committee any matters that have come to the attention of the Committee that are relevant for the Board Audit Committee.

FINANCE, HOUSING PROJECTS AND STRATEGY COMMITTEE

The committee is comprised of two independent non-executive directors, three non-executive directors and two executive directors. The members are as follows;
David Mutemachani -Chairman (Independent NED)
Shingai Mutumbwa -Member (Independent NED)
Betty Nyereyegona-Member (NED)
Daniel Ngwira-Member (NED)
Patience Zenda-Member (NED)
Managing Director -Member (Executive)
Finance Director-Member (Executive)
The Committee's terms of reference include:

- To recommend financial policies, goals, and budgets that support the mission, values, and strategic goals of the organization.
- To review the organization's financial performance against its goals and proposes major transactions and programs to the board.
- To oversee all housing development projects facilitated or financed by NBS and its shareholders.

ICT, CYBER SECURITY AND DIGITALISATION COMMITTEE

The ICT, Cyber Security and Digitalisation Committee consisted of three independent non-executive directors, two non-executive directors, two executive directors and 1 executive management. The members are as follows;
Molly Dingani -Chairman (Independent NED)
David Mutemachani-Member (Independent NED)
Sithokozile Mrewa-Member (Independent NED)
Betty Nyereyegona -Member (NED)
Daniel Ngwira-Member (NED)
Managing Director-Member (Executive)
Finance Director-Member (Executive)
Head ICT- Member (Executive Management)
The Committee's terms of reference include:

- To review and oversee the overall ICT Governance of the Society;
- To supervise the implementation of ICT, Cyber Security and Digitalisation strategies, including Digital Banking initiatives of the Bank.

INTEGRITY COMMITTEE

The Integrity Committee consisted of two Independent non-executive directors, one non-executive director, one executive director and one executive member of management. The members are as follows;
Sithokozile Mrewa -Chairman (Independent NED)
Shingai Mutumbwa-Member (Independent NED)
Patience Zenda-Member (NED)
Managing Director-Member (Executive) ex-officio
Head Human Resources (Executive Management) ex-officio.
The Committee's terms of reference include:

- To act as a corruption prevention tool to tackle weaknesses in governance within the Society.
- The Committee is tasked with taking measures to prevent corruption within the Society's sphere of control, through streamlining corruption prevention best practices in liaison with the various divisions to instil good ethical practices in all employees and minimise the occurrence of corruption.

INTERNAL AUDIT

The Internal Audit department comprises of the Head of department, ICT and Operational auditors. The Head of Audit reports directly to the Audit Committee and administratively to the Managing Director.

INDUCTION AND EVALUATION OF DIRECTORS

On appointment, new directors are briefed on their fiduciary duties and responsibilities by executive management. Visits to Society sites and operations are arranged to facilitate understanding of the Society's affairs. Directors are informed of any new relevant legislation and changing commercial risks that affect the Society.

Directors are entitled to seek independent professional advice at the Society's expense about the affairs of the Society and, where necessary, for the furtherance of their duties. The Board conducts regular ongoing assessments to evaluate the effectiveness of its procedures.

THE COMPANY SECRETARY

The Company Secretary is responsible to the Board as a whole and to Directors individually, for ensuring compliance with procedures and applicable statutes and regulations.

The Board has unlimited access to the Company Secretary, who advises the Board and its sub-Committees on issues including compliance with Society rules and procedures and statutory regulations. The Company Secretary ensures that the proceedings and affairs of the Directorate, the Society itself and Shareholders, are properly administered. The Secretary assists in developing the annual Board plan and administers all statutory obligations of the Society.

Main Board

NAME	TOTAL MEETINGS	PRESENT	ABSENT
Shingai Mutumbwa (INED)	3	3	Nil
David Mutemachani (INED)	3	3	Nil
Molly Dingani (INED)	3	3	Nil
Sithokozile Mrewa (INED)	3	3	Nil
Betty Nyereyegona (NED)	3	3	Nil
Grace Mathe (NED)*	2	2	Nil
Patience Zenda (NED)	3	3	Nil
Daniel Ngwira (NED)	3	3	Nil
Mukai Mahachi (ED)	3	3	Nil
Sifiso Mahlangu (ED)	3	2	LOA

INED-Independent Non-Executive Director
NED-Non-Executive Director
ED- Executive Director
LOA- Leave of Absence granted
*Grace Mathe's term of office expired on 30 March 2026.

Audit Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
David Mutemachani	3	3	Nil
Molly Dingani	3	3	Nil

Credit Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
Sithokozile Mrewa	4	4	Nil
Shingai Mutumbwa	4	4	Nil
Patience Zenda	4	4	Nil

Loans Review Meeting

NAME	TOTAL MEETINGS	PRESENT	ABSENT
David Mutemachani	2	2	Nil
Molly Dingani	2	2	Nil
Daniel Ngwira	2	2	Nil

Risk and Compliance Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
Betty Nyereyegona	2	2	Nil
Grace Mathe*	1	1	Nil
Molly Dingani	2	2	Nil
Daniel Ngwira	2	2	Nil

Human Resources and Nomination Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
David Mutemachani	4	4	Nil
Shingai Mutumbwa	4	4	Nil
Grace Mathe*	2	2	Nil
Betty Nyereyegona	4	2	LOA
Patience Zenda	4	4	Nil
Sithokozile Mrewa	4	4	Nil

* Grace Mathe's term of office expired on 30 March 2026.

ICT, Cyber Security and Digitalisation Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
David Mutemachani	2	1	LOA
Betty Nyereyegona	2	2	Nil
Sifiso Mahlangu	2	0	LOA
Mukai Mahachi	2	2	Nil
Molly Dingani	2	2	Nil
Sithokozile Mrewa	2	2	Nil
Daniel Ngwira	2	2	Nil

Finance, Housing Projects and Strategy Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
David Mutemachani	3	3	Nil
Shingai Mutumbwa	3	3	Nil
Patience Zenda	3	3	Nil
Grace Mathe*	1	1	Nil
Betty Nyereyegona	3	3	Nil
Sifiso Mahlangu	3	2	LOA
Mukai Mahachi	3	3	Nil
Daniel Ngwira	3	3	Nil

* Grace Mathe's term of office expired on 30 March 2026.

Integrity Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
Shingai Mutumbwa	2	2	Nil
Patience Zenda	2	2	Nil
Grace Mathe*	1	1	Nil
Sifiso Mahlangu	2	1	LOA
Sithokozile Mrewa	2	2	Nil

*Grace Mathe's term of office expired on 30 March 2026.

COMPLIANCE STATEMENT

The Society remained compliant with the statutory and regulatory requirements governing financial institutions throughout the reporting period and continued to uphold the principles of sound corporate governance. The board is satisfied that the Society complied, in all material respects, with the applicable laws, regulations, and regulatory directives during the period under review.

Notwithstanding the overall compliance position, the board wishes to disclose the following matters which arose during the reporting period:

Regulatory Warning - Late Submission of Quarterly Agency Banking Return

During the reporting period, the Reserve Bank of Zimbabwe (RBZ) issued a warning to the Society in respect of the late submission of a quarterly Agency Banking Return. The delay was an isolated administrative lapse and did not result in any financial loss to the Society, its customers, or other stakeholders. Management has since reviewed and strengthened the internal reporting and submission processes and has implemented enhanced monitoring controls and reporting timelines to ensure that all statutory and regulatory returns are submitted accurately and within the prescribed timeframes going forward.

Composition of the Audit Committee

The board also identified a governance gap relating to the composition of the Audit Committee. During the reporting period, the committee comprised two board members instead of the minimum of three, which is below the prescribed composition requirements. The board has taken appropriate steps to address this matter and is in the process of appointing additional directors to the board. Upon completion of these appointments, the Internal Audit Committee will be reconstituted to ensure full compliance with the applicable corporate governance requirements and to further strengthen the board's oversight responsibilities.

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

Note	Group		Society	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	ZWG	ZWG	ZWG	ZWG
Assets				
Cash and cash equivalents	5	2,175,911,262	1,583,071,608	2,178,552,880
Investment securities	6	734,199,017	612,351,367	734,199,017
Other assets and prepayments	7	218,540,094	272,040,596	339,106,067
Inventory	8	109,750,370	92,792,175	109,750,363
Capital WIP	9	19,779,027	19,572,490	19,779,027
Loans and advances	10	3,237,998,830	2,478,610,094	3,070,818,098
Computer software	11	24,541,240	27,074,999	24,541,244
Investment property	12	493,915,445	493,915,445	493,915,445
Right of use Asset	13	25,342,687	21,736,676	25,342,687
Property and equipment	14	143,882,613	156,557,157	141,202,446
Total Assets		7,183,860,585	5,757,722,607	7,137,207,274
Equity and Liabilities				
Liabilities				
Deposits	15	4,892,586,504	3,668,594,615	4,897,289,539
Borrowings	16	166,474,694	174,003,700	166,474,694
Lease liability	13.1	33,814,435	30,419,943	33,814,435
Deferred Tax Liability	17.2	18,398,348	18,363,521	18,398,348
Other liabilities	17	502,280,122	341,368,008	492,286,864
Total Liabilities		5,613,554,103	4,232,749,787	5,608,263,880
Shareholders' equity				
Share capital	18.1	867,686,984	867,686,984	867,686,984
Revaluation reserve	18.2	51,396,704	51,396,705	51,224,253
Foreign Currency Translation Reserve	18.3	23,199,619	25,041,515	23,199,619
Accumulated surplus	18.4	628,023,175	580,847,616	586,832,538
Total Shareholder equity		1,570,306,482	1,524,972,820	1,528,943,394
Total liabilities and equity		7,183,860,585	5,757,722,607	7,137,207,274

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2026

Group	Share capital ZWG	Shares Awaiting allotment ZWG	FCTR ZWG	Revaluation Reserve ZWG	Accumulated surplus ZWG	Total ZWG
2026						
Balance as at 1 January 2026	867,686,984	-	25,041,515	51,396,704	580,847,640	1,524,972,843
Profit for the period	-	-	-	-	47,175,535	47,175,535
Foreign Currency Translation Reserve	-	-	(1,841,873)	-	-	(1,841,873)
Balance as at 30 June 2026	867,686,984	-	23,199,642	51,396,704	628,023,175	1,570,306,482
2025						
Balance as at 1 January 2025	536,036,846	-	-	35,178,176	575,638,375	1,146,853,397
Profit for the period	-	-	46,955,038	-	95,308,261	142,263,299
Dividend	-	323,348,400	-	-	-	323,348,400
Shares Awaiting allotment	-	-	-	15,682	2,210,194	2,225,876
Balance as at 30 June 2025	536,036,846	323,348,400	46,955,038	35,193,858	673,156,830	1,614,690,972

Society	Share capital ZWG	Shares Awaiting allotment ZWG	FCTR ZWG	Revaluation Reserve ZWG	Accumulated surplus ZWG	Total ZWG
2026						
Balance as at 1 January 2026	867,686,984	-	23,199,619	51,224,253	545,178,194	1,487,289,050
Profit for the period	-	-	-	-	41,654,344	41,654,344
Balance as at 30 June 2026	867,686,984	-	23,199,619	51,224,253	586,832,538	1,528,943,394
2025						
Balance as at 1 January 2025	536,036,846	-	-	35,193,860	570,911,615	1,142,142,321
Profit for the period	-	-	46,955,038	-	80,775,583	127,730,621
Shares Awaiting allotment	-	323,348,400	-	-	-	323,348,400
Balance as at 30 June 2025	536,036,846	323,348,400	46,955,038	35,193,860	651,687,198	1,593,221,342

STATEMENT OF CASHFLOWS

FOR THE PERIOD ENDED 30 JUNE 2026

	Group		Society	
	30 June 2026 ZWG	30 June 2025 ZWG	30 June 2026 ZWG	30 June 2025 ZWG
Cashflows from operating activities				
Profit before tax	78,334,348	122,051,603	64,789,770	102,627,705
Adjusted for:				
Depreciation	17,291,420	11,690,425	17,053,719	11,690,425
Amortisation of software	2,533,759	596,699	2,533,759	596,699
Right of use asset depreciation	8,603,894	3,546,008	8,603,894	3,546,008
Unrealised exchange gains	(6,133,090)	(54,972,159)	(6,133,090)	(54,972,159)
Foreign currency translation reserve	-	64,880,866	-	64,062,300
Fair value on gold coins	-	3,406,339	-	3,406,339
Impairment provision	56,800,774	33,295,928	53,361,229	31,630,605
Interest expense on lease liability	9,393,258	5,263,237	9,393,258	5,263,237
Net interest income	(221,204,184)	(177,058,536)	(181,173,027)	(151,846,149)
(Decrease)/increase in provisions	(972,627)	-	-	-
	(55,352,448)	12,700,410	(31,570,488)	16,005,010
Increase in other assets and prepayments	37,211,986	(85,284,502)	15,240,529	(80,464,118)
Increase in inventory	(16,958,160)	28,765,970	(16,958,160)	28,765,970
Increase in loans and advances	(810,658,797)	(170,563,379)	(761,114,135)	(160,238,990)
(Decrease)/Increase in deposits	1,223,991,898	(236,797,753)	1,228,694,923	(236,797,753)
Increase in lease liability	(5,998,739)	(7,708,926)	(5,998,739)	(7,708,953)
(Decrease)/ Increase in intercompany payables	(287,213)	-	-	-
(Decrease)/Increase in other liabilities	191,803,785	(365,962,414)	155,946,681	(367,188,294)
Interest received	563,752,314	(824,850,594)	584,240,614	(807,627,128)
Interest paid	341,587,119	267,896,578	318,877,869	242,684,192
Income tax paid	(137,704,842)	(90,838,043)	(137,704,842)	(90,838,043)
	(32,131,443)	(27,381,088)	(23,135,425)	(22,379,418)
Net cashflows from operating activities	735,503,148	(675,173,147)	742,278,216	(678,160,397)
Cashflows from investing activities				
Purchase of property and equipment	(4,912,336)	3,160,068	(3,613,981)	3,849,899
(Decrease)/ increase in investment securities	(79,252,211)	93,707,578	(79,252,211)	93,707,578
ROUA additions	(12,209,893)	-	(12,209,893)	-
Increase in WIP	(206,529)	(29,453,419)	(206,529)	(29,453,411)
Net cashflows from investing activities	(133,043,338)	67,414,227	(131,744,983)	68,104,066
Cashflows from financing activities				
New shares issued	-	321,237,600	-	321,237,600
Lease payments	(7,529,006)	-	(7,529,006)	-
Net cashflows from financing activities	(7,529,006)	321,237,600	(7,529,006)	321,237,600
Net Increase/decrease in cash and cash equivalents	594,930,804	(286,521,320)	603,004,227	(288,818,731)
Cash and cash equivalents at the beginning of the year	1,583,071,608	1,325,336,044	1,577,639,803	1,311,880,016
Cash and cash equivalents at the end of the period	2,178,002,412	1,038,814,724	2,180,644,030	1,023,061,285
Comprises of:				
Cash on hand	265,867,320	14,619,255	268,508,938	14,619,255
Foreign bank balances	37,937,893	6,527,896	37,937,893	6,527,896
Banks and money market	1,874,197,199	1,017,667,573	1,874,197,199	1,001,914,134
Total cash and cash equivalents	2,178,002,412	1,038,814,724	2,180,644,030	1,023,061,285

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FOR THE PERIOD ENDED 30 JUNE 2026

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

- 1 Nature of Business**
National Building Society Limited (The Society) is a company incorporated and domiciled in Zimbabwe. It was registered as a Building Society in terms of the Building Societies Act (Chapter 24:02) of Zimbabwe on 11 September 2015 and commenced operations on 18 May 2016. The Society is wholly owned by National Social Security Authority (NSSA) and is a result of an investment through the National Pensions Scheme Fund and the Workers' Compensation Insurance Fund.

The principal business of the Society is that of providing mortgage finance including deposit acceptance and investing activities. The registered office of the Society is 14th Floor, Social Security Centre, Corner Julius Nyerere Way and Sam Nujoma Street, Harare, Zimbabwe.
- 2 Basis of preparation**
- 2.1 Basis of accounting**
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Building Society Act (Chapter 24:02) of Zimbabwe, sections of the Banking Act (Chapter 24:20) applicable to Building Societies and the Microfinance Act (Chapter 24:30).
- 2.2 Accounting Policy**
The principal accounting policies adopted in the preparation of the annual financial statements are set out below and have been consistently followed in all material respects
- 3 Statement of Compliance**
The Society's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements are prepared from statutory records that are maintained under the historical cost convention. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies and Other Business Act (Chapter 24:31), the Building Societies Act (Chapter 24:02) and sections of the Banking Act (Chapter 24:20) applicable to Building Society.
- 4 Use of Estimates and Judgments**
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

A full set of The Society's policies are available in its annual report, which is ready for inspection at The Society's registered office.

	Group		Society	
	30 June 2026 ZWG	31 December 2025 ZWG	30 June 2026 ZWG	31 December 2025 ZWG
5 Cash and Cash equivalents				
Balances with the RBZ	963,002,035	680,344,642	963,002,035	680,344,642
Interbank placements	912,798,300	623,997,676	912,798,300	623,997,676
Balances with banks	36,334,757	15,472,532	36,334,757	10,044,880
Cash on hand	265,867,320	264,660,608	268,508,938	264,656,472
	2,178,002,412	1,584,475,458	2,180,644,030	1,579,043,670
5.1 Reserve Bank of Zimbabwe				
Interbank placements	912,798,300	623,997,676	912,798,300	623,997,676
Bank balances	36,334,757	15,472,532	36,334,757	10,044,880
	1,912,135,092	1,319,814,824	1,912,135,092	1,314,387,172
Stage 1 - ECL allowance	(2,091,150)	(1,403,841)	(2,091,150)	(1,403,841)
	1,910,043,942	1,318,411,000	1,910,043,942	1,312,983,331
Cash on hand	265,867,320	264,660,608	268,508,938	264,656,472
Net carrying amount of cash and cash equivalents	2,175,911,262	1,583,071,608	2,178,552,880	1,577,639,803
6 Investment Securities held at amortised cost				
Treasury bills	734,373,381	612,619,752	734,373,381	612,619,752
Interbank placement	-	-	-	-
Stage 1 - ECL allowance	(174,364)	(268,385)	(174,364)	(268,385)
Net carrying amount	734,199,017	612,351,367	734,199,017	612,351,367
Maturity Analysis - Gross				
Less than 1 month	288,908,696	383,085,448	288,908,696	383,085,448
3 months to 6 months	117,005,375	63,633,662	117,005,375	63,633,662
12 months to 24 months	124,962,860	165,900,642	124,962,860	165,900,642
1 year to 5 years	203,496,450	-	203,496,450	-
	734,373,381	612,619,752	734,373,381	612,619,752
7 Other Assets and prepayments				
Interest accrued	119,388,650	72,294,361	119,388,650	72,294,361
Investment in Subsidiary	-	-	107,079,200	80,309,400
Collateral deposits	6,130,579	10,203,015	6,130,579	10,203,015
Gold coins and tokens	10,232,247	9,883,098	10,232,247	9,883,098
Sundry assets	82,788,618	179,660,122	96,275,391	181,656,722
	218,540,094	272,040,596	339,106,067	354,346,596
Non-current	6,130,579	245,397,605	6,130,579	344,143,581
Current	212,409,515	26,642,991	332,975,488	10,203,015
	218,540,094	272,040,596	339,106,067	354,346,596
Gold coins and tokens				
Opening balance	9,883,098	5,907,574	9,883,098	5,907,574
Fair valuation	(2,480,046)	3,975,523	(2,480,046)	3,975,523
	7,403,052	9,883,097	7,403,052	9,883,097

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

	Group		Society	
	30 June 2026 ZWG	31 December 2025 ZWG	30 June 2026 ZWG	31 December 2025 ZWG
8 Inventory work in progress				
Finished units				
Dzivarasekwa housing project	-	19,737,371	-	19,737,371
NBS Park and Stoneridge Housing				
Development	947,490	947,480	947,490	947,480
	947,490	20,684,851	947,490	20,684,851
Work in progress				
Newmara housing project	16,651,297	16,172,389	16,651,290	16,172,444
Glaudina housing project	72,934,400	55,934,935	72,934,400	55,934,935
Plumtree Project	19,217,183	-	19,217,183	-
	109,750,370	92,792,175	109,750,363	92,792,230
9 Capital Work In Progress				
Opening balance	19,572,490	60,225,245	19,572,490	60,225,245
Additions	206,537	-	206,537	-
Transfer from investment property	-	(40,652,755)	-	(40,652,755)
Closing Balance	19,779,027	19,572,490	19,779,027	19,572,490
10 Loans and advances				
Personal loans, advances and overdrafts	716,693,077	863,382,534	656,767,354	824,967,148
Mortgage loans	1,629,294,960	1,335,913,915	1,629,294,960	1,335,913,915
Corporate lending	946,005,762	314,230,283	836,025,867	231,540,834
Gross loans and advances	3,291,993,799	2,513,526,732	3,122,088,181	2,392,421,897
Impairment provision	(53,994,969)	(34,916,638)	(51,270,083)	(31,447,852)
Net loans and advances	3,237,998,830	2,478,610,094	3,070,818,098	2,360,974,046
10.1 Maturity Analysis				
Less than 1 month	48,190,106	94,829,860	18,394,624	54,505,075
1 month to 3 months	172,611,145	201,994,994	115,036,236	173,967,960
3 months to 6 months	123,506,909	262,191,255	71,622,149	229,550,871
6 months to 1 year	332,270,939	493,841,759	305,985,559	476,593,495
1 year to 5 years	1,677,083,709	1,211,627,547	1,672,718,614	1,208,763,200
More than 5 years	938,330,991	249,041,317	938,330,998	249,041,296
	3,291,993,799	2,513,526,732	3,122,088,181	2,392,421,897
10.2 Loan impairment allowance				
Exposure to credit - gross loans and advances				
advances				
Loans and advances subject to Stage 1	3,104,197,003	2,349,900,246	2,944,507,402	2,243,302,501
Loans and advances subject to Stage 2	137,337,518	119,204,796	128,124,437	109,337,056
Loans and advances subject to Stage 3	50,459,278	44,421,690	49,456,342	39,782,340
Gross loans and advances	3,291,993,799	2,513,526,732	3,122,088,181	2,392,421,897
Loan Impairment Charge				
Stage 1	30,477,548	14,594,379	2,975,572	13,671,505
Stage 2	8,222,380	5,945,527	7,903,530	5,710,004
Stage 3	15,295,041	14,376,732	13,613,981	12,066,343
Gross impairment loss	53,994,969	34,916,638	51,270,083	31,447,852
Net loans and advances	3,237,998,830	2,478,610,094	3,070,818,098	2,360,974,046
Impairment allowances				
Portfolio impairment	47,249,812	20,539,906	46,205,991	19,381,510
Specific impairment	6,745,157	14,376,732	5,064,092	12,066,342
Gross impairment	53,994,969	34,916,638	51,270,083	31,447,852
10.3 Impairment provision				
Opening balance	34,916,638	22,045,777	31,447,840	21,050,102
Charge in profit and loss	19,078,331	12,870,861	19,822,243	10,397,750
Closing balance	53,994,969	34,916,638	51,270,083	31,447,852
Group				
10.4 ECL allowance movement				
	Cash and cash equivalent ZWG	Loans and advances ZWG	Investment securities ZWG	Total ZWG
2026				
Balance at beginning of year 2026	1,403,841	34,916,626	268,404	36,588,871
Charge to profit and loss for the year	687,308	19,078,343	(94,040)	19,671,611
Balance at 30 June 2026	2,091,149	53,994,969	174,364	56,260,482
2025				
Balance at beginning of year 2025	1,303,590	22,045,787	1,243,815	24,593,192
Charge to profit and loss for the year	100,251	12,870,851	(975,411)	11,995,691
Balance at 31 December 2025	1,403,841	34,916,638	268,404	36,588,883

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Society					
ECL allowance movement		Cash and cash equivalent ZWG	Loans and advances ZWG	Investment securities ZWG	Total ZWG
2026					
Balance at beginning of year 2026		1,403,841	31,447,849	268,385	33,120,075
Charge to profit and loss for the year		687,308	19,822,237	(94,021)	20,415,524
Effects of inflation		-	-	-	-
Balance at 30 June 2026		2,091,149	51,270,086	174,364	53,535,599
2025					
Balance at beginning of year 2025		1,303,590	21,050,111	1,243,815	23,597,516
Charge to profit and loss for the year		100,251	10,397,741	(975,430)	9,522,562
Effects of changes in inflation		-	-	-	-
Balance at 31 December 2025		1,403,841	31,447,852	268,385	33,120,078
Change in ECL					
Analysis of loan impairment charge on the statement of profit and loss					
		30 June 2026 ZWG	31 December 2025 ZWG	30 June 2026 ZWG	31 December 2025 ZWG
Increase in loan impairment charge on loans and advances for the period		14,029,235	14,697,075	14,773,141	12,223,947
Impairment allowance on account balances in excess		5,049,093	(1,826,236)	5,049,093	(1,826,236)
Impairment charges on cash and cash equivalents and investment securities		593,283	(875,148)	593,290	(875,158)
Net impairment charge to statement of profit and loss		19,671,611	11,995,691	20,415,524	9,522,553
10.5	Sectorial Analysis	30 June 2026 ZWG	31 December 2025 ZWG	30 June 2026 ZWG	31 December 2025 ZWG
Corporates		895,951,590	314,230,277	836,025,867	231,540,834
Individuals		2,396,042,209	2,199,296,455	2,286,062,314	2,160,881,063
		3,291,993,799	2,513,526,732	3,122,088,181	2,392,421,897
		30 June 2026 ZWG	31 December 2025 ZWG	30 June 2026 ZWG	31 December 2025 ZWG
11	Computer software				
Cost					
Opening balance		35,703,558	27,665,154	35,703,552	27,665,143
Additions		-	28,005,034	-	28,005,039
Disposal		-	(19,966,630)	-	(19,966,630)
Closing balance		35,703,558	35,703,558	35,703,552	35,703,552
Amortisation					
Opening balance		8,628,559	15,312,756	8,628,549	15,312,754
Charge to income statement		2,533,759	4,700,169	2,533,759	4,700,161
Effects of inflation		-	(11,384,366)	-	(11,384,366)
Closing balance		11,162,318	8,628,559	11,162,308	8,628,549
Net book value		24,541,240	27,074,999	24,541,244	27,075,003
Included in computer software is the Society's core banking system, Fusion Essence					
12	Investment property	30 June 2026 ZWG	31 December 2025 ZWG	30 June 2026 ZWG	31 December 2025 ZWG
Opening balance		493,915,445	482,759,158	493,915,445	482,759,158
Fair valuation		-	16,861,226	-	16,861,226
Transfer to inventory		-	(5,704,939)	-	(5,704,939)
Closing balance		493,915,445	493,915,445	493,915,445	493,915,445
13	Right of use asset	30 June 2026 ZWG	31 December 2025 ZWG	30 June 2026 ZWG	31 December 2025 ZWG
Balance at the beginning of the year		59,757,877	84,982,202	59,757,877	84,982,202
Effects of changes in inflation		-	(37,145,641)	-	(37,145,641)
Additions		12,110,182	12,342,270	12,110,182	12,342,270
Remeasurement(modification)		99,722	(420,955)	99,722	(420,955)
Closing Balance		71,967,781	59,757,876	71,967,781	59,757,876
Accumulated Depreciation					
Balance at the beginning of the year		38,021,200	17,114,709	38,021,200	17,114,709
Charge for the year		8,603,894	4,579,590	8,603,894	4,579,590
Effects of Inflation		-	16,326,901	-	16,326,901
Closing Balance		46,625,094	38,021,200	46,625,094	38,021,200
Carrying amount		25,342,687	21,736,676	25,342,687	21,736,676

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

		30 June 2026 ZWG	31 December 2025 ZWG		30 June 2026 ZWG	31 December 2025 ZWG	
13.1	Lease liability						
	Opening balance	30,419,943		34,951,829	30,419,917	34,951,829	
	Additions	12,110,182		12,342,270	12,110,182	12,342,270	
	Remeasurement (modifications)	99,722		(420,955)	99,722	(420,955)	
	Interest expense	577,873		1,511,744	577,873	1,511,744	
	Repayments	(9,393,285)		(17,964,945)	(9,393,259)	(17,964,945)	
		33,814,435		30,419,943	33,814,435	30,419,943	
14	Property and equipment						
30 June 2026							
Group		Leasehold Improvements	Office Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	Total
Cost							
Opening balance	32,455,676	16,499,417	10,469,937	39,705,487	67,666,157	166,796,674	
Additions	769,842	1,367,526	-	2,901,950	-	5,039,318	
Disposal	-	-	(152,476)	-	(112,987)	(265,463)	
Closing balance	33,225,518	17,866,943	10,317,461	42,607,437	67,553,170	171,570,529	
Accumulated depreciation							
Opening balance	10,291,164	-	-	-	-	10,291,164	
Charge for the year	1,652,152	1,636,662	734,619	6,383,526	7,105,220	17,512,179	
Disposals	-	(8,245)	(13,821)	-	(93,361)	(115,427)	
Effects of inflation	-	-	-	-	-	-	
Closing balance	11,943,316	1,628,417	720,798	6,383,526	7,011,859	27,687,916	
Net book value June 2026	21,282,202	16,238,526	9,596,663	36,223,911	60,541,311	143,882,613	
31 December 2025							
		Leasehold Improvements	Office Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	Total
Cost							
Opening balance	20,742,791	6,142,331	5,439,730	41,797,647	24,429,557	98,552,056	
Additions	11,712,935	8,664,769	1,777,113	5,638,229	46,428,481	74,221,477	
Disposal	-	(221,895)	(253,590)	(3,651,400)	(294,602)	(4,421,487)	
Revaluation	-	1,636,082	3,619,250	(4,161,954)	(2,597,152)	(1,503,774)	
Closing balance	32,455,726	16,221,287	10,582,503	39,622,522	67,966,284	166,848,322	
Accumulated depreciation							
Opening balance	7,639,914	-	-	-	-	7,639,914	
Charge for the year	2,651,251	1,620,456	1,890,349	11,171,439	13,493,237	30,826,782	
Disposal	-	(54,922)	(72,994)	(986,020)	(114,441)	(1,228,377)	
Revaluation	-	(1,565,534)	(1,817,355)	(10,185,419)	(13,378,796)	(26,947,104)	
Closing balance	10,291,165	-	-	-	-	10,291,165	
Net book value 2025	22,164,561	16,221,287	10,582,503	39,622,522	67,966,284	156,557,157	
Society							
30 June 2026		Leasehold Improvements	Office Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	Total
Cost							
Opening balance	32,455,676	15,884,174	9,987,465	38,939,891	67,666,157	164,933,363	
Additions	769,842	959,641	-	2,034,501	-	3,763,984	
Revaluation gain	-	-	-	-	-	-	
Disposal	-	-	(152,476)	-	(112,968)	(265,444)	
Closing balance	33,225,518	16,843,815	9,834,989	40,974,392	67,553,189	168,431,903	
Accumulated depreciation							
Opening balance	10,291,164	-	-	-	-	10,291,164	
Charge for the year	1,652,152	1,443,491	685,898	6,166,959	7,105,220	17,053,720	
Disposals	-	(8,245)	(13,821)	-	(93,401)	(115,467)	
Revaluation	-	-	-	-	-	-	
Closing balance	11,943,316	1,435,246	672,077	6,166,959	7,011,859	27,229,457	
Net book value June 2026	21,282,202	15,408,569	9,162,912	34,807,433	60,541,330	141,202,446	
31 December 2025							
		Leasehold Improvements ZWG	Office Equipment ZWG	Furniture and Fittings ZWG	Motor Vehicles ZWG	Computer Equipment ZWG	Total ZWG
Cost							
Opening balance	20,742,791	5,805,219	5,301,170	41,797,647	24,429,557	98,076,384	
Additions	11,712,885	8,664,769	1,433,202	4,872,639	46,150,313	72,833,808	
Disposals	-	(221,895)	(253,590)	(3,651,400)	(294,602)	(4,421,487)	
Revaluation gain	-	1,636,082	3,506,683	(4,078,995)	(2,619,130)	(1,555,360)	
Closing balance	32,455,676	15,884,175	9,987,465	38,939,891	67,666,138	164,933,345	
Accumulated depreciation							
Opening balance	7,639,914	-	-	-	-	7,639,914	
Charge for the year	2,651,251	1,620,456	1,890,349	11,171,439	13,493,237	30,826,732	
Disposals	-	(54,922)	(72,994)	(986,020)	(114,430)	(1,228,366)	
Revaluation gain	-	(1,565,525)	(1,817,348)	(10,185,427)	(13,378,796)	(26,947,096)	
Closing balance	10,291,165	-	-	-	-	10,291,165	
Net book value 2025	22,164,511	15,884,175	9,987,465	38,939,891	67,666,138	154,642,180	

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2026					
15	Deposits	Group		Society	
		30 June 2026	31 December 2025	30 June 2026	31 December 2025
		ZWG	ZWG	ZWG	ZWG
	Transactional and savings deposits	1,376,190,061	1,470,572,916	1,380,893,096	1,470,572,916
	Term deposits	3,516,396,443	2,198,021,699	3,516,396,443	2,198,021,699
		4,892,586,504	3,668,594,615	4,897,289,539	3,668,594,615
	Banks	-	-	-	-
	Corporates	3,516,396,443	3,420,224,330	4,335,820,931	3,420,224,330
	Individuals	1,376,190,061	248,370,285	561,468,608	248,370,285
		4,892,586,504	3,668,594,615	4,897,289,539	3,668,594,615
15.2	Maturity analysis				
		Less than 1 month	1,892,853,914	1,879,506,775	1,892,853,914
		1 month to 3 months	721,174,356	499,490,096	721,174,356
		3 months to 6 months	212,458,064	239,057,955	212,458,064
		6 months to 1 year	444,929,276	425,325,783	444,929,276
		1 year to 5 years	1,378,784,605	508,858,187	1,378,784,605
		More than 5 years	242,386,289	116,355,819	247,089,324
		4,892,586,504	3,668,594,615	4,897,289,539	3,668,594,615
Maturity analysis is based on the remaining period from 30 June 2026 to contractual maturity					
15.3	Sectoral Analysis				
		Individuals	571,701,711	249,347,249	571,701,711
		Manufacturing	17,583,977	17,294,576	17,583,977
		Transport and Distribution	49,635,420	35,892,680	49,635,420
		Energy and Minerals	752,222,414	596,644,767	752,222,414
		Financial Services	2,214,920,909	1,928,920,693	2,219,623,944
		Construction and Property	12,183,565	27,586,948	12,183,565
		Trade and Services	1,274,338,508	812,907,702	1,274,338,508
			4,892,586,504	3,668,594,615	4,897,289,539
16	Borrowings				
		Opening balances	174,003,700	174,003,700	174,003,700
		Additions	-	-	-
		Repayment	(7,529,006)	-	(7,529,006)
		Effects of inflation	-	-	-
			166,474,694	174,003,700	166,474,694
		Current liability	-	-	-
	long term liability	166,474,694	174,003,700	166,474,694	174,003,700
Terms and repayment schedule					
		Nominal interest rate	Year of maturity	Group Carrying amount 2026	Society Carrying amount 2025
	Secured shareholder loan	12%	2029	133,849,000	133,849,000
	Unsecured shareholder loan	10%	2029	32,625,694	40,154,700
				166,474,694	174,003,700
17	Other liabilities	Group		Society	
		30 June 2026	31 December 2025	30 June 2026	31 December 2025
		ZWG	ZWG	ZWG	ZWG
	Deferred income	119,810,997	80,919,403	119,810,997	80,919,403
	Accrued interest	45,199,817	28,039,893	45,199,817	28,039,893
	Provisions	984,928	9,595,662	984,928	9,309,492
	Other liabilities	336,284,380	222,813,050	326,291,122	218,079,985
		502,280,122	341,368,008	492,286,864	336,348,773
Deferred income consist of loans origination fees that are received in advance and recognised using the effective interest rate method over the average life of the underlying asset. Other liabilities consist of trade payables and other payables.					
17.1	Provisions	Unaudited 30 June 2026	Audited 31 December 2025	Unaudited 30 June 2026	Audited 31 December 2025
		ZWG	ZWG	ZWG	ZWG
	Balance at the beginning of the year	2,070,242	1,305,162	1,969,856	1,305,162
	Provisions made during the year	1,171,078	2,204,091	984,928	1,969,856
	Provisions paid during the year	(11,442,055)	(1,439,011)	(1,969,856)	(1,305,162)
	Effects of changes in inflation	-	-	-	-
	Balance at the end of the period	(8,200,735)	2,070,242	984,928	1,969,856
17.2	Deferred Tax	Unaudited 30 June 2026	Audited 31 December 2025	Unaudited 30 June 2026	Audited 31 December 2025
		ZWG	ZWG	ZWG	ZWG
	Balance at the beginning of the year	18,398,348	-	18,398,348	-
	Movement through profit and loss	-	11,757,350	-	11,859,985
	Movement through other comprehensive income	-	6,606,171	-	6,538,363
		18,398,348	18,363,521	18,398,348	18,398,348
18	Equity and Reserves				
	Share movement				
	Authorised ordinary shares				1,000,000,000
	Issued and fully paid ordinary shares				514,279,060
	Unissued ordinary shares				485,720,940

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2026				
18.1	Issued share capital	Unaudited 30 June 2026	Audited 31 December 2025	Unaudited 30 June 2026
		ZWG	ZWG	ZWG
	Opening balance	867,686,984	492,909,784	867,686,984
	Shares awaiting allotment	-	374,777,200	-
	Closing balance	867,686,984	867,686,984	867,686,984
18.2	Revaluation reserve			
		Opening balance	51,396,704	32,347,877
		Movement for the year	-	19,048,828
	Closing balance	51,396,704	51,396,705	51,224,253
18.3	Foreign currency translation reserve			
		Movement for the year	23,199,619	25,041,515
18.4	Accumulated Profit			
		Opening balance	580,847,640	529,310,876
		Surplus for the year	47,175,535	67,909,522
		Dividend paid	-	(16,372,782)
		Closing balance	628,023,175	580,847,640
19	CATAGORIES OF FINANCIAL INSTRUMENTS			
		FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST		
Unaudited 30 June 2026	Financial assets	Group Amortised Cost	Carrying amount	Society Amortised Cost
		ZWG	ZWG	ZWG
	Cash on hand	265,867,311	265,867,311	268,508,938
	Bank balances	999,336,792	999,336,792	999,336,792
	Interbank placements	914,889,450	914,889,450	914,889,450
	Investment securities	734,199,017	734,199,017	734,199,017
	Loans and advances	3,237,998,830	3,237,998,830	3,070,818,098
	Total	6,152,291,400	6,152,291,400	5,987,752,295
Financial liabilities	Deposits	4,892,586,504	4,892,586,503	4,897,289,539
		166,474,694	166,474,694	166,474,694
	Total	5,059,061,198	5,059,061,197	5,063,764,233
Audited 31 Dec 2025	Financial assets			
		Cash on hand	264,660,608	264,660,608
	Bank balances	695,817,148	695,817,148	695,817,148
	Interbank placements	623,997,676	623,997,676	623,997,676
	Investment securities	612,351,376	612,351,376	612,351,376
	Loans and advances	2,478,610,094	2,478,610,094	2,478,610,094
	Total	4,675,436,902	4,675,436,902	4,675,436,902
Financial liabilities	Deposits	3,668,594,615	3,668,594,615	3,668,594,615
		174,003,700	174,003,700	174,003,700
	Total	3,842,598,315	3,842,598,315	3,842,598,315

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Runyararo Services Stands, Masvingo

Batanayi Serviced Stands, Chinhoyi

Beira Corridor Serviced Stands, Mutare

Newmara Project, Mutare

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FOR THE PERIOD ENDED 30 JUNE 2026

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

19.2 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Group	Level 2 ZWG	Level 3 ZWG	Total fair value ZWG	Total carrying amount ZWG
30 June 2026				
Financial assets				
Cash on hand	265,867,311	-	265,867,311	265,867,311
Bank balances	999,336,792	-	999,336,792	999,336,792
Interbank placements	-	914,889,450	914,889,450	914,889,450
Investment securities	-	734,199,017	734,199,017	734,199,017
Loans and advances	3,237,998,830	-	3,237,998,830	3,237,998,830
Total	4,503,202,933	1,649,088,467	6,152,291,400	6,152,291,400
Financial liabilities				
Deposits	4,892,586,504	-	4,892,586,504	4,892,586,503
Borrowings	166,474,694	-	166,474,694	166,474,694
Total	5,059,061,197	-	5,059,061,197	5,059,061,197
31 December 2025				
Financial assets				
Cash on hand	264,660,608	-	264,660,608	264,660,608
Bank balances	695,817,148	-	695,817,148	695,817,148
Interbank placements	-	623,997,676	623,997,676	623,997,676
Investment securities	-	612,351,376	612,351,376	612,351,376
Loans and advances	-	-	-	-
Total	960,477,756	1,236,349,052	2,196,826,808	2,196,826,808
Financial liabilities				
Deposits	3,668,594,615	-	3,668,594,606	3,668,594,606
Borrowings	-	174,003,700	174,003,698	174,003,698
Total	3,668,594,606	174,003,698	3,842,598,304	3,842,598,304
Society				
30 June 2026				
Financial assets				
Cash on hand	268,508,938	-	268,508,938	268,508,938
Bank balances	999,336,792	-	999,336,792	999,336,792
Interbank placements	-	914,889,450	914,889,450	914,889,450
Investment securities	-	734,199,017	734,199,017	734,199,017
Loans and advances	3,070,818,097	-	3,070,818,097	3,070,818,097
Total	4,338,663,827	1,649,088,467	5,987,752,294	5,987,752,294
Financial liabilities				
Deposits	4,897,289,538	-	4,897,289,538	4,897,289,538
Borrowings	-	166,474,694	166,474,694	166,474,694
Total	4,897,289,538	166,474,694	5,063,764,232	5,063,764,232
31 December 2025				
Financial assets				
Cash on hand	264,656,472	-	264,656,472	264,656,472
Bank balances	690,389,497	-	690,389,497	690,389,497
Interbank placements	-	623,997,676	623,997,676	623,997,676
Investment securities	-	612,351,376	612,351,376	612,351,376
Loans and advances	2,360,974,049	-	2,360,974,049	2,360,974,049
Total	3,316,020,018	1,236,349,052	4,552,369,070	4,552,369,070
Financial liabilities				
Deposits	2,464,723,522	-	2,464,723,522	2,464,723,522
Borrowings	-	174,003,700	174,003,700	174,003,700
Total	2,464,723,522	174,003,700	2,638,727,222	2,638,727,222
Financial instrument valuation technique	Range of estimate		Interrelationship between significant unobservable inputs and fair value measurements	
Instrument - Investment Securities			- the estimated fair value would increase with an increase in projected cash flows or decrease with a decrease in projected cash flows.	
Valuation technique - Discounted cash flow method	5%-12%		- an increase in the loan tenure would lead to an increase in the projected cash flows, and a decrease in the loan tenure would lead to a decrease in the projected cash flows.	
20 Interest				
Interest income				
Loans and advances	245,859,652	142,601,493	205,828,495	117,389,106
Money market placements	113,049,374	125,295,085	113,049,374	125,295,085
Total	358,909,026	267,896,578	318,877,869	242,684,191
21 Interest expense				
Money market deposits	126,309,634	80,481,610	126,309,634	80,481,610
Borrowings	9,985,564	9,985,323	9,985,564	9,985,323
Savings deposits	1,409,644	371,109	1,409,644	371,109
Total	137,704,842	90,838,042	137,704,842	90,838,042
Net interest income	221,204,184	177,058,536	181,173,027	151,846,149
22 Non funded income				
Net commission and fee income	138,897,601	112,048,585	131,261,806	112,048,585
Property sales	26,333,051	24,351,550	26,333,051	24,351,550
Realised exchanged gains	305,448	305,448	305,448	305,448
Unrealised exchanged gains	6,133,091	54,972,159	42,595,459	54,972,155
Fair value adjustment on investment property	658,055	20,265,541	658,055	20,265,541
Other operating income	19,435,746	12,775,598	31,060,383	8,370,756
Total	228,225,360	224,718,871	232,214,202	220,314,035
23 Operating expenses				
Staff Costs	159,646,449	132,279,701	150,310,848	141,990,740
Defined Contribution plan	8,086,059	7,064,041	8,086,059	7,064,041
Right of use armotisation	8,603,894	3,546,008	8,603,894	3,546,008
Depreciation	17,175,993	11,733,310	16,938,291	11,663,655
Amortisation of computer software	2,533,759	596,699	2,533,759	596,699
Other expenses	156,243,105	109,973,149	146,758,181	90,834,937
Total	352,289,259	265,192,908	333,231,032	255,696,080
Other expenses are costs necessary for running the Society's operations.				
Remuneration of directors and key management personnel				
Fees for services as directors	4,109,352	7,062,596	3,060,752	5,163,413
Short term benefits of executive staff	64,366,258	42,866,534	63,180,163	42,866,534
Post employment benefits	1,616,280	4,817,386	1,531,581	4,817,386
Total	70,091,890	54,746,516	67,772,496	52,847,333

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Non-Executive Directors are remunerated in accordance with the applicable remuneration guidelines issued by the Corporate Governance Unit (CGU), a department within the Office of the President and Cabinet (OPC), established under the Public Entities Corporate Governance Act. Executive Management are compensated through fixed salaries in accordance with their respective terms and conditions of employment.

	Unaudited 30 June 2026 ZWG	Unaudited 30 June 2025 ZWG	Unaudited 30 June 2026 ZWG	Unaudited 30 June 2025 ZWG
23.1 Income Tax Expense				
Current income tax charge	31,158,812	27,381,080	23,135,425	22,379,418
Deferred tax expense	-	-	-	-
	31,158,812	27,381,080	23,135,425	22,379,418

With effect from 1 January 2025, following the enactment of the Finance (No. 2) Act No. 7 of 2024, the Society is liable for tax but is exempt from income tax to the extent of income derived from the provision of mortgage finance.

24 Related party disclosures

The Group is a wholly owned subsidiary of National Social Security Authority (NSSA) through its two funds Pension and other Benefits Fund (POBS) and Accident Prevention and Workers Compensation Fund (APWC).NSSA has diverse business interests across various economic sectors.

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits and money market investments.

24.1 The following is a list of related parties to the Society:

National Social Security Authority	Shareholder
First Mutual Life Group	Common shareholder
Zimre Holding Limited	Common shareholder
OK Zimbabwe	Common shareholder
Rainbow Tourism Group Limited	Common shareholder
FBC Group	Common shareholder
Directors	Key management personnel
Lenderspark Finance	Subsidiary

24.2

	Group		Society	
	Unaudited 30 June 2026	Audited 31 December 2025	Unaudited 30 June 2026	Audited 31December2025
Transactions with related parties				
Interest on term deposits				
NSSA	25,450,222	21,569,017	25,450,222	21,569,017
First Mutual Life Group	214,921	2,320,620	214,921	2,320,620
Rainbow Tourism Group Limited	13,718	1,151	13,718	1,151
	25,678,861	23,890,788	25,678,861	23,890,788
Deposits received				
First Mutual Life Group	22,498,441	138,993,540	22,498,441	138,993,540
Rainbow Tourism Group Limited	3,747,772	-	3,747,772	-
NSSA	875,626,157	1,049,478,876	875,626,157	1,049,478,876
Interest paid on borrowings from NSSA	9,985,568	-	9,985,568	-
	911,857,938	1,188,472,416	911,857,938	1,188,472,416
Borrowings				
Borrowings from NSSA	166,474,694	174,003,700	166,474,694	174,003,700
Rent expense				
Rent expense to NSSA	5,044,769	12,751,955	5,044,769	12,751,955
24.3 Balances with related parties				
Term deposit with NSSA	1,510,082,258	1,443,574,877	1,510,082,258	1,443,574,877
Term deposit with First Mutual Life Group	22,498,441	-	22,498,441	-
Transaction deposits with NSSA	517,984,673	748,017,867	517,984,673	748,017,867
Transactional deposits with Zimre Holdings Limited	1,176,499	6,444,883	1,176,499	6,444,883
Transactional deposits with Nicoz Diamond	1,580,464	3,539,316	1,580,464	3,539,316
Term deposit with Rainbow Tourism Group	4,644,560	20,506	4,644,560	20,506
Transactional deposits with Rainbow Tourism Group	156,892	-	156,892	-
	2,058,123,787	2,201,597,449	2,058,123,787	2,201,597,449
Loans and advances				
Loans to OK Limited	-	57,830,879	-	57,830,879
Loans to Rainbow Tourism Group	53,055,072	67,945,688	53,055,072	67,945,688
Loans to directors, key management and employees	304,002,317	255,008,178	304,002,317	255,008,178
	357,057,389	380,784,745	357,057,389	380,784,745
24.4 Included in loans and advances are loans to executive directors and key management				
Opening balance	47,112,492	11,950,895	47,112,492	11,950,895
Advances made during the year	15,535,618	38,313,741	15,535,618	38,313,741
Repayments during the year	(4,063,431)	(3,152,144)	(4,063,431)	(3,152,142)
Closing Balance	58,584,679	47,112,492	58,584,679	47,112,492
25 RISK MANAGEMENT				
The Society is exposed to various types of risks including credit, interest rate, foreign exchange rate, liquidity, operational, legal, compliance, strategic and reputation risks.				
The key objective of the risk management framework at the Society is to ensure that these risks are measured, mitigated and monitored on an ongoing basis as guided by internal policies and procedures established to address such risks.				

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

25.1 Credit risk

This is risk of potential loss that arises when a borrower, or client, or counterparty, may fail to meet obligations in accordance with agreed credit terms and conditions. This includes failing to meet interest and capital repayments, settlements and collateral risk. The Society is exposed to credit risk due to its involvement in lending business.

25.1.1 Credit risk management framework

Credit Risk is managed through a comprehensive processes of credit origination, credit approval, credit monitoring and review. There is comprehensive segregation of duties between credit origination, approval and review processes.

The Society continues to prudently maintain an impairment allowance on its credit exposures to cushion itself from problematic exposures.

Undesirable characteristics within the credit portfolio that include concentration risk are managed through a framework of approved limits which are monitored and reviewed by the Loans Review Committee set by the Board.

The Society also applies credit risk stress testing methodologies which are generally meant to assess vulnerability from impact of changing economic conditions on asset quality, earnings performance and capital adequacy.

The Society, thus, manages its credit risk by adhering to credit policies and procedure manuals and monitors risk exposure against the set thresholds. These Credit policies are reviewed annually to align with developing trends in the market and business strategic objectives.

The Board through its Board Credit Committee and the Board Loans Review Committee maintains oversight over the credit risk profile of the institution. Management structures supported by the Management Credit Committee and Management Loans Review Committee actively manage credit risk profile of the Society.

25.1.2 Credit risk mitigation

Where possible, the Society takes collateral as a secondary recourse to the borrower. The Society has put in place policies to determine the eligibility of collateral for credit risk mitigation. In times of difficulty, the Society reviews customers' specific facts and circumstances to assist them in restructuring their repayment liabilities. However, should the need arise, disposal and recovery processes are in place for disposal of collateral held by the Society.

25.1.3 Non-performing loans and advances

The Society classifies its Loans and advances into performing and nonperforming loans in accordance with the RBZ guidelines.

The table below summarizes the Society's exposure to credit risk

25.1.4 Credit risk exposure

	Unaudited 30 June 2026 ZWG	Audited 31 December 2025 ZWG	Unaudited 30 June 2026 ZWG	Audited 31December2025 ZWG
Cash and cash equivalents	2,178,002,403	1,584,475,459	2,180,644,029	1,579,043,672
Investment securities	734,373,381	612,619,752	734,373,381	612,619,752
Loans and advances	3,291,993,799	2,513,526,732	3,122,088,181	2,392,421,897
	6,204,369,583	4,710,621,943	6,037,105,591	4,584,085,321

Where financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

25.1.5 Aging analysis of past due but not impaired loans and advances (special mention loans):

	Unaudited 30 June 2026 ZWG	Audited 31 December 2025 ZWG	Unaudited 30 June 2026 ZWG	Audited 31 December 2025 ZWG
1 to 3 months	209,913,444	140,494,698	130,068,641	112,467,664

25.1.6 Sectorial analysis of the Society's advance before and after considering collateral held is as follows:

	Unaudited 30 June 2026 ZWG	Audited 31 December 2025 ZWG	Unaudited 30 June 2026 ZWG	Audited 31 December 2025 ZWG
Sector				
Private	3,122,088,181	2,513,526,715	3,122,088,181	2,392,421,900
Collateral analysis				
Mortgage bonds	6,094,531,154	720,129,984	6,094,531,154	720,129,984
25.1.7 Credit quality per class of financial assets (gross)				
Pass	3,024,352,198	2,282,574,132	2,944,507,403	2,242,249,356
Special mention	209,913,444	140,494,698	130,068,641	112,467,664
Substandard	28,135,958	54,440,543	23,529,417	21,800,159
Doubtful	23,384,082	20,127,787	18,777,541	2,879,522
Loss	6,208,117	15,889,572	5,205,180	13,025,196
Total	3,291,993,799	2,513,526,732	3,122,088,181	2,392,421,897
25.2.1 Market risk management framework				
The Board through the Board Risk and Compliance Committee has oversight over Market Risk and sets the Society's risk appetite for market risk. Management structures supported by ALCO are in place to identify, measure and monitor market risk on an ongoing basis against set benchmarks and through the use of daily, weekly and monthly risk dashboards and reports highlighting inherent market risk and assessed against key market risk metrics.				
Sensitivity analysis is employed to quantify the impact of a specified potential changes in individual market parameters on the value of the Society's positions. Stress testing is also used to show the market risk under extreme but plausible conditions. Documented stress scenarios are constructed regularly for key balance sheet risk drivers across all portfolios. These are guided by the relevant policies that have been approved by the Board.				

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

25.3 Interest rate risk
This arises from the possibility that changes in interest rates will affect the current and future cash flows of the Society's interest bearing instruments. The Society employs several methods that enable it to identify, measure and monitor interest rate risk. Margin analysis, interest rate repricing gaps and sensitivity analysis are employed on a regular basis to assess the Society's exposure to interest rate risk. These are guided by the relevant NBS policies that have been approved by the Board.

25.3.1 Interest rate risk
This arises from the possibility that changes in interest rates will affect the current and future cash flows of the Society's interest bearing instruments. The Society employs several methods that enable it to identify, measure and monitor interest rate risk. Margin analysis, interest rate repricing gaps and sensitivity analysis are employed on a regular basis to assess the Society's exposure to interest rate risk.

These are guided by the relevant NBS policies that have been approved by the Board.

25.3.1 Interest rate repricing gap analysis

Group 30 June 2026	Less than 1 month ZWG	1 to 3 months ZWG	3 to 6 months ZWG	6 to 12 months ZWG	1 to 5 years ZWG	5 years and above ZWG	Interest bearing ZWG	Total ZWG
Assets								
Cash and cash equivalents	908,065,533	-	-	-	-	-	1,267,845,729	2,175,911,262
Investment securities	-	-	-	-	734,199,029	-	-	734,199,029
Loans and advances	48,190,106	172,611,145	123,506,909	332,270,939	1,677,083,709	884,336,014	-	3,237,998,822
Other assets and prepayments	-	-	-	-	-	-	218,540,081	218,540,081
Inventory, work in progress	-	-	-	-	-	-	129,529,398	129,529,398
Computer software	-	-	-	-	-	-	24,541,241	24,541,241
Right of use asset	-	-	-	-	-	-	25,342,675	25,342,675
Investment property	-	-	-	-	-	-	493,915,445	493,915,445
Property and equipment	-	-	-	-	-	-	143,882,642	143,882,642
Total assets	956,255,639	172,611,145	123,506,909	332,270,939	2,411,282,738	884,336,014	2,303,597,211	7,183,860,595
Equity and Liabilities								
Deposits	1,888,150,889	721,174,356	212,458,064	444,929,276	1,378,784,605	247,089,323	-	4,892,586,513
Borrowings	-	-	-	-	-	-	166,474,694	166,474,694
Lease Liability	-	-	-	-	-	-	33,814,435	33,814,435
Other liabilities	-	-	-	-	-	-	502,280,124	502,280,124
Equity and reserves	-	-	-	-	-	-	1,570,306,483	1,570,306,483
Total Equity and liabilities	1,888,150,889	721,174,356	212,458,064	444,929,276	1,378,784,605	247,089,323	2,272,875,734	7,165,462,247
Periodic gap	(931,895,250)	(548,563,211)	(88,951,155)	(112,658,337)	1,032,498,133	637,246,691	30,721,477	18,398,348
Cumulative gap	(931,895,250)	(1,480,458,461)	(1,569,409,616)	(1,682,067,953)	(649,569,820)	(12,323,129)	18,398,348	-
31 December 2025								
Assets								
Cash and cash equivalents	264,660,618	-	-	-	-	-	1,318,410,990	1,583,071,608
Investment securities	380,527,380	-	63,633,662	168,190,317	-	-	-	612,351,359
Loans and advances	94,826,770	201,995,006	262,191,265	493,841,748	1,211,630,648	214,124,670	-	2,476,610,107
Other assets and prepayments	-	-	-	-	-	-	272,040,624	272,040,624
Inventory, Work in progress	-	-	-	-	-	-	92,792,211	92,792,211
Computer software	-	-	-	-	-	-	19,572,498	19,572,498
Right of use asset	-	-	-	-	-	-	27,075,002	27,075,002
Investment property	-	-	-	-	-	-	493,915,445	493,915,445
Property and equipment	-	-	-	-	-	-	21,736,676	21,736,676
Total assets	740,014,768	201,995,006	325,824,927	662,032,065	1,211,630,648	214,124,670	2,402,100,518	5,757,722,602
Equity and Liabilities								
Deposits	2,041,258,928	106,042,218	42,910,356	13,895,025	497,261,510	967,226,577	-	3,668,594,614
Borrowings	-	-	-	-	-	-	174,003,700	174,003,700
Lease liability	-	-	-	-	-	-	30,419,916	30,419,916
Other liabilities	-	-	-	-	-	-	341,368,008	341,368,008
Equity and reserves	-	-	-	-	-	-	1,524,972,844	1,524,972,844
Total Equity and liabilities	2,041,258,928	106,042,218	42,910,356	13,895,025	497,261,510	967,226,577	1,896,760,768	5,739,359,082
Periodic gap	(1,301,244,160)	95,952,788	282,914,571	648,137,040	540,369,138	(753,101,907)	505,339,750	18,363,520
Cumulative gap	(1,301,244,160)	(1,205,291,372)	(922,376,801)	(274,239,761)	266,125,677	(486,976,230)	18,363,520	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Society 30 June 2026	Less than 1 month ZWG	1 to 3 months ZWG	3 to 6 months ZWG	6 to 12 months ZWG	1 to 5 years ZWG	5 years and above ZWG	Interest bearing ZWG	Total ZWG
Assets								
Cash and cash equivalents	910,707,150	-	-	-	-	-	1,267,845,729	2,178,552,879
Investment securities	-	-	-	-	734,199,029	-	-	734,199,029
Loans and advances	18,394,624	115,036,236	71,622,149	305,985,559	1,672,718,614	887,060,920	-	3,070,818,102
Other assets and prepayments	-	-	-	-	-	-	339,106,067	339,106,067
Inventory, work in progress	-	-	-	-	-	-	129,529,398	129,529,398
Computer software	-	-	-	-	-	-	24,541,241	24,541,241
Right of use asset	-	-	-	-	-	-	25,342,675	25,342,675
Investment property	-	-	-	-	-	-	493,915,445	493,915,445
Property and equipment	-	-	-	-	-	-	141,202,437	141,202,437
Total assets	929,101,774	115,036,236	71,622,149	305,985,559	2,405,917,643	887,060,920	2,421,482,992	7,137,207,273
Equity and Liabilities								
Deposits	1,892,853,914	721,174,356	212,458,064	444,929,276	1,378,784,605	247,089,323	-	4,892,586,513
Borrowings	-	-	-	-	-	-	166,474,694	166,474,694
Lease Liability	-	-	-	-	-	-	33,814,435	33,814,435
Other liabilities	-	-	-	-	-	-	492,286,864	492,286,864
Equity and reserves	-	-	-	-	-	-	1,528,943,394	1,528,943,394
Total Equity and liabilities	1,892,853,914	721,174,356	212,458,064	444,929,276	1,378,784,605	247,089,323	2,221,519,387	7,118,808,925
Periodic gap	(963,752,140)	(606,138,120)	(140,835,915)	(138,943,717)	1,028,133,038	639,971,597	199,963,605	18,398,348
Cumulative gap	(963,752,140)	(1,569,890,260)	(1,710,726,175)	(1,849,669,892)	(821,536,854)	(181,565,257)	18,398,348	-
31 December 2025								
Assets								
Cash and cash equivalents	264,656,469	-	-	-	-	-	1,312,983,333	1,577,639,802
Investment securities	380,527,380	-	63,633,662	168,190,317	-	-	-	612,351,359
Loans and advances	54,505,080	173,967,962	229,550,874	476,593,484	1,208,763,201	217,593,447	-	2,360,974,048
Other assets and prepayments	-	-	-	-	-	-	354,346,596	354,346,596
Inventory, Work in progress	-	-	-	-	-	-	92,792,211	92,792,211
Computer software	-	-	-	-	-	-	19,572,498	19,572,498
Right of use asset	-	-	-	-	-	-	27,075,002	27,075,002
Investment property	-	-	-	-	-	-	21,736,676	21,736,676
Property and equipment	-	-	-	-	-	-	154,642,201	154,642,201
Total assets	699,688,929	173,967,962	293,184,536	644,783,801	1,208,763,201	217,593,447	2,477,063,962	5,715,045,838
Equity and Liabilities								
Deposits	1,879,506,775	499,490,096	239,057,955	425,325,783	508,858,187	116,355,819	-	3,668,594,615
Borrowings	-	-	-	174,003,700	-	-	-	174,003,700
Lease liability	-	-	-	-	-	-	30,419,916	30,419,916
Other liabilities	-	-	-	-	-	-	336,348,777	336,348,777
Equity and reserves	-	-	-	-	-	-	18,398,348	18,398,348
Total Equity and liabilities	1,879,506,775	499,490,096	239,057,955	599,329,483	508,858,187	116,355,819	385,167,041	4,227,765,356
Periodic gap	(1,179,817,846)	(325,522,134)	54,126,581	45,454,318	699,905,014	101,237,628	2,091,896,921	1,487,280,482
Cumulative gap	(1,179,817,846)	(1,505,339,980)	(1,451,213,399)	(1,405,759,081)	(705,854,067)	(604,616,439)	1,487,280,482	-

NBS FINANCIALS

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

26 Risk Management

- 26.1 Foreign Exchange Risk**

Foreign exchange risk refers to potential adverse impact on earnings and economic value of assets and liabilities of the Society as a result of exchange rate movements or volatility. The Society monitors its foreign currency denominated assets and liabilities on an ongoing basis as guided by thresholds to maximum exposures per currency and stop loss limits which were approved by the Board.
- 26.2 Liquidity Risk**

Liquidity risk is the risk that the Society may fail to fund increases in assets and meet obligations as they fall due, without incurring unacceptable losses. The Society is exposed to credit risk due to its involvement in lending business.

The Society is exposed to both funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the Society may not be able to meet its obligations as they fall due. Market liquidity risk is the risk that the Society will be unable the sell its assets and settle positions, without incurring an unacceptable loss.

The Society focuses on ensuring that at any given time, there is sufficient liquidity to meet its obligations and sets aside sufficient buffer to cater for unforeseen stress events that can arise in the normal course of business. The Society's liquidity risk framework ensures that there are triggers in place to monitor the liquidity risk profile, thereby taking appropriate actions depending on the direction of indicators of liquidity risk. As an integral part of its risk management, the Society applies stress testing methodologies to its liquidity risk profile on a regular basis to unearth underlying liquidity vulnerabilities.

26.2.1 Liquidity gap analysis

Group 30 June 2026	Less than 1 month ZWG	1 to 3 months ZWG	3to6 months ZWG	6to12 months ZWG	1to5 years ZWG	5years and above ZWG	Total ZWG
Assets							
Cash and cash equivalents	2,175,911,262	-	-	-	-	-	2,175,911,262
Investment securities	-	-	-	-	734,199,029	-	734,199,029
Loans and advances	48,190,106	172,611,145	123,506,909	332,270,939	1,677,063,709	884,336,014	3,237,998,822
Other assets and prepayments	-	-	-	218,540,081	-	-	218,540,081
Inventory, work in progress	-	-	-	-	129,529,398	-	129,529,398
Computer software	-	-	-	-	24,541,241	-	24,541,241
Right of use asset	-	-	-	-	25,342,675	-	25,342,675
Investment property	-	-	-	-	493,915,445	-	493,915,445
Property and equipment	-	-	-	-	143,882,642	-	143,882,642
Total assets	2,224,101,368	172,611,145	123,506,909	550,811,020	3,228,494,139	884,336,014	7,183,860,595
Liabilities							
Deposits	1,888,150,889	721,174,356	212,458,064	444,929,276	1,378,784,605	247,089,323	4,897,289,538
Borrowings	-	-	-	-	-	166,474,694	166,474,694
Lease Liability	-	-	-	-	-	33,814,435	33,814,435
Other liabilities	-	-	-	-	-	492,286,864	492,286,864
Total liabilities	1,888,150,889	721,174,356	212,458,064	444,929,276	1,378,784,605	939,665,316	5,589,865,531
Periodic gap	335,950,479	(548,563,211)	(88,951,155)	(562,873,074)	1,815,895,101	637,246,691	1,588,704,831
Cumulative gap	335,950,479	(212,612,732)	(301,563,887)	(864,436,961)	951,458,140	1,588,704,831	-

31 December 2025	Less than 1 month ZWG	1 to 3 months ZWG	3to6 months ZWG	6to12 months ZWG	1to5 years ZWG	5years and above ZWG	Total ZWG
Assets							
Cash and cash equivalents	264,660,618	-	-	-	-	-	264,660,618
Investment securities	380,527,380	-	63,633,662	168,190,317	-	-	612,351,359
Loans and advances	94,826,770	201,995,006	262,191,265	493,841,748	1,211,630,648	214,124,670	2,478,610,107
Other assets and prepayments	-	-	-	-	-	272,040,624	272,040,624
Inventory	-	-	-	-	-	92,792,211	92,792,211
Work in progress	-	-	-	-	-	19,572,498	19,572,498
Computer software	-	-	-	-	-	27,075,002	27,075,002
Right of use asset	-	-	-	-	-	493,915,445	493,915,445
Investment property	-	-	-	-	-	21,736,676	21,736,676
Property and equipment	-	-	-	-	-	156,557,072	156,557,072
Total assets	740,014,768	201,995,006	325,824,927	662,032,065	1,211,630,648	2,616,225,188	5,757,722,602
Liabilities							
Deposits	2,041,258,928	106,042,218	42,910,356	13,895,025	497,261,510	967,226,577	3,668,594,614
Borrowings	-	-	-	-	-	174,003,700	174,003,700
Lease liability	-	-	-	-	-	30,419,916	30,419,916
Other liabilities	-	-	-	-	-	341,368,008	341,368,008
Total liabilities	2,041,258,928	106,042,218	42,910,356	13,895,025	671,265,210	1,339,014,501	4,214,386,238
Periodic gap	(1,301,244,160)	95,952,788	282,914,571	648,137,040	540,365,438	1,277,210,687	1,543,336,364
Cumulative gap	(1,301,244,160)	(1,205,291,372)	(922,376,801)	(274,239,761)	266,125,677	1,543,336,364	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Liquidity gap analysis

Society 30 June 2026	Less than 1 month ZWG	1 to 3 months ZWG	3to6 months ZWG	6to12 months ZWG	1to5 years ZWG	5years and above ZWG	Total ZWG
Assets							
Cash and cash equivalents	910,707,150	-	-	-	-	1,267,845,729	2,178,552,879
Investment securities	-	-	-	-	734,199,029	-	734,199,029
Loans and advances	18,394,624	115,036,236	71,622,149	305,985,559	1,672,718,614	887,060,920	3,070,818,102
Other assets and prepayments	-	-	-	-	-	339,106,067	339,106,067
Inventory	-	-	-	-	-	129,529,398	129,529,398
Computer software	-	-	-	-	-	24,541,241	24,541,241
Right of use asset	-	-	-	-	-	25,342,675	25,342,675
Investment property	-	-	-	-	-	493,915,445	493,915,445
Property and equipment	-	-	-	-	-	141,202,437	141,202,437
Total assets	929,101,774	115,036,236	71,622,149	305,985,559	2,406,917,643	3,308,543,912	7,137,207,273
Liabilities							
Deposits	1,892,853,914	721,174,356	212,458,064	444,929,276	1,378,784,605	247,089,323	4,897,289,538
Borrowings	-	-	-	-	-	166,474,694	166,474,694
Lease Liability	-	-	-	-	-	33,814,435	33,814,435
Other liabilities	-	-	-	-	-	492,286,864	492,286,864
Total liabilities	1,892,853,914	721,174,356	212,458,064	444,929,276	1,378,784,605	939,665,316	5,589,865,531
Periodic gap	(963,752,140)	(606,138,120)	(140,835,915)	(138,943,717)	1,028,133,038	2,368,878,596	1,547,341,742
Cumulative gap	(963,752,140)	(1,569,890,260)	(1,710,726,175)	(1,849,669,892)	(821,536,854)	1,547,341,742	-

31 December 2025

	Less than 1 month ZWG	1to3 months ZWG	3to6 months ZWG	6to12 months ZWG	1to5 years ZWG	5years and above ZWG	Total ZWG
Assets							
Cash and cash equivalents	264,656,469	-	-	-	-	1,312,983,333	1,577,639,802
Investment securities	380,527,380	-	63,633,662	168,190,317	-	-	612,351,359
Loans and advances	54,505,080	173,967,962	229,550,874	476,593,484	1,208,763,201	217,593,447	2,360,974,048
Other assets and prepayments	-	-	-	-	-	354,346,596	354,346,596
Inventory	-	-	-	-	-	92,792,211	92,792,211
Work in progress	-	-	-	-	-	19,572,498	19,572,498
Computer software	-	-	-	-	-	27,075,002	27,075,002
Right of use asset	-	-	-	-	-	21,736,676	21,736,676
Investment property	-	-	-	-	-	493,915,445	493,915,445
Property and equipment	-	-	-	-	-	154,642,201	154,642,201
Total assets	699,688,929	173,967,962	293,184,536	644,783,801	1,208,763,201	2,694,657,409	5,715,045,838
Liabilities							
Deposits	1,879,506,775	499,490,096	239,057,955	425,325,783	508,858,187	116,355,819	3,668,594,615
Borrowings	-	-	-	174,003,700	-	-	174,003,700
Lease liability	-	-	-	-	-	30,419,916	30,419,916
Other liabilities	-	-	-	-	-	336,348,777	336,348,777
Total liabilities	1,879,506,775	499,490,096	239,057,955	599,329,483	508,858,187	483,124,512	4,209,367,008
Periodic gap	(1,179,817,846)	(325,522,134)	54,126,581	45,454,318	699,905,014	2,211,532,897	1,505,678,830
Cumulative gap	(1,179,817,846)	(1,505,339,980)	(1,451,213,399)	(1,405,759,081)	(705,854,067)	1,505,678,830	-

- 26.3 Operational Risk**

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events.

The NBS Operational Risk Management Framework defines minimum expected standards and processes, responsibilities and governance structure for operational risk management practice across the Society. The Society has adopted the following classification of operational risk events for easy of monitoring and analysis of impact management of operational risk.

 - Internal Fraud;
 - External Fraud;
 - Business Disruption and System Failures;
 - Client Products and Business Practices;
 - Employment Practices and Workplace Safety;
 - Execution Delivery and process management; and
 - Damage to Physical Assets.

Key Risk indicators, Loss incident reporting framework and RCSA (Risk and Control Self Assessments) are being used across all risk centers for identifying, assessing, monitoring and managing key risks within a department and evaluating the effectiveness of the controls that are in place to manage these risks.

- 26.4 Compliance and Legal Risk**

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards.

Legal risk is the risk of loss due to litigation and is primarily manifesting through:

 - Contract risks;
 - Claims by other parties on failed fiduciary responsibilities or failed obligations
 - Changes in the law, which could magnify legal risk exposure.

Compliance and legal risk management framework of the Society ensures participation of all bank units in the identification, assessment, controlling, and monitoring of compliance and legal risks. All bank units are responsible and accountable for compliance and legal risk management in their respective contexts. The Society has a zero tolerance principle to which is part of the Board approved risk appetite framework.

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Bank, Build & go Beyond

Swift-Cash Loans

Instant Personal Loans Available!

Back To School Expenses

Medical Emergencies

Short-term Cash Flow Requirements



 Housing & Mortgages

 NBS Capital

 Corporate & Institutional Banking

 Micro Finance

 Retail & SME Banking

 Structured Finance

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

26.5 Strategic risk
Strategic risk refers to the current and/or prospective impact on the Society's earnings, capital or business viability arising from adverse business decisions and implementation of strategies which are inconsistent with internal factors and not responsive to the external environment.

The Society has put in place structures and procedures to identify, measure and monitor strategic risk on a regular basis and effectiveness is evaluated against the Society's strategic objectives. In implementing the Society's strategy, the Board and Senior management determine and allocate financial and operating targets to departments.

Monitoring of progress against the action plans is done on an ongoing basis and risk mitigation is applied accordingly.

26.6 Reputational risk
Reputational risk is the risk of loss due to the damage to the name of the institution. Such potential value destruction occurs in a situation of negative public opinion on an institution. It can be a result of factors such as service delivery, performance, strategy execution, brand positioning and competitiveness. It normally results in loss of sales, share value and breakdown of relationships.

In line with the Board approved reputational risk management policy, Society management has the primary responsibility for reputational risk identification, assessment, and mitigation. Communication of information about the Society to the public or press releases is done in line with the provisions of the communications policies. Any exposures to reputational risk dealt with as provided in the overall Enterprise-wide Risk Management framework of the Society.

26.7 Capital management
National Building Society adopted the Internal Capital Adequacy Assessment Policy (ICAAP) which details the Society's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Society's capital management is to ensure that the Society complies with externally imposed capital requirements and that the Society maintains strong credit ratings and healthy capital ratios in order to support its business and maximise shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholder, analysts, investors, clients and the general public who are interested in looking at the profitability of the Society vis-à-vis assumed levels of risk.

26.8 Capital adequacy
Capital adequacy is computed in line with guidelines provided by the Reserve Bank of Zimbabwe. The Society's regulatory capital is managed by the Society and comprises three tiers:

- Tier 1 Capital: comprises contributed capital and accumulated profits.
- Tier 2 Capital: comprises impairment allowance and revaluation reserve.
- Tier 3 Capital: comprises operational and market risk capital.

	30 June 2026 ZWG	31 December 2025 ZWG
Risk weighted assets	7,001,770,646	5,603,046,953
Tier 1		
Share capital	867,686,984	867,686,984
Accumulated profit	586,832,538	290,686,724
Core capital	1,454,519,522	1,158,373,708
Tier 2		
Borrowings	166,474,694	168,874,550
Revaluation reserve	51,224,253	52,968,064
	217,698,947	221,842,614
Tier 3		
Foreign exchange exposure	24,431,947	18,076,806
Commodity exposures	6,733,737	7,093,258
Capital allocated for operational risk	238,203,509	-
	269,369,193	189,776,828
Core capital		
Tier 1 ratio	21%	21%
Tier 2 ratio	3%	4%
Tier 3 ratio	4%	3%
	28%	28%

Capital adequacy ratio
Regulatory capital consists solely of Tier 1 capital which comprises share capital, share premium and shares awaiting allotment, general reserve and accumulated deficit/surplus. Tier 2 capital consists of loans from the shareholder.

27 Ratings
Reserve Bank of Zimbabwe ratings
The Reserve Bank of Zimbabwe conducted a risk based on-site examination of National Building Society from 14 March to 28 April 2023, utilising data as at 31 December 2023. The examination report was dated 31 March 2023.

The examination was conducted in line with CAMELS and Risk Assessment System (RAS) methodologies and primarily focused on the adequacy of strategic management capabilities, business operating systems and processes and the effectiveness of risk management and internal control systems. The composite CAMELS rating assigned to National Building Society is '3' i.e. 'Fair'.

The table below shows ratings assigned to each of the CAMELS components.

CAMELS Components	Rating
Capital	3 – Fair
Asset Quality	3 – Fair
Management	3 – Fair
Earnings	4 – Weak
Liquidity	3 – Fair
Sensitivity to Market Risk	2 – Satisfactory
Composite Rating	3 – Fair

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

In terms of the Risk Assessment System (RAS) the level of overall composite risk of NBS was considered moderate and the direction stable. The level of overall aggregate inherent risk was rated moderate and the quality of overall aggregate risk management systems was considered acceptable.

Type of Risk	Level of Aggregate Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit	Moderate	Weak	High	Increasing
Liquidity	Moderate	Acceptable	Moderate	Stable
Interest Rate	Moderate	Acceptable	Moderate	Stable
Foreign Exchange	Moderate	Acceptable	Moderate	Stable
Operational	Moderate	Acceptable	Moderate	Stable
Legal	Low	Acceptable	Moderate	Stable
Compliance	High	Acceptable	High	Increasing
Reputation	Moderate	Acceptable	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

Reserve Bank of Zimbabwe ratings

Interpretation of risk matrix

Level of inherent risk

Low – reflects a lower than average probability of an adverse impact on a banking institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the banking institution's overall financial condition.

Moderate – could reasonably be expected to result in a loss which could be absorbed by a banking institution in the normal course of business.

High – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Weak – risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written policies and procedures.

Acceptable – management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses, these have been recognized and are being addressed. Management information systems are generally adequate.

Strong – management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the bank's risk tolerance, responsibilities and accountabilities are effectively communicated.

Overall Composite Risk

Low – would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

Moderate – risk management systems appropriately mitigate inherent risk. For a given low risk area, significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.

High – risk management systems do not significantly mitigate the high inherent risk. Thus, the activity could potentially result in a financial loss that would have a significant impact on the bank's overall condition.

Direction of Overall Composite Risk

Increasing – based on the current information, risk is expected to increase in the next twelve months.

Decreasing – based on current information, risk is expected to decrease in the next twelve months.

Stable – based on the current information, risk is expected to be stable in the next twelve months.

External credit ratings

The Society subscribes to a global credit rating agency, Global Credit Rating Company and the long term rating for the year is BB (2024). The rating expires on 30 November 2026.





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Mathendele Plumtree

SIZE: 300SQM
PRICE: \$11,759 incl VAT
TENURE: 5 YEARS



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Cash Sale
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Interest Rate
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